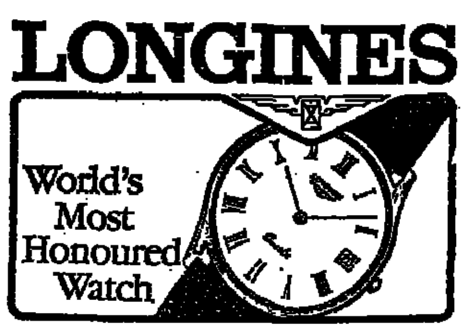

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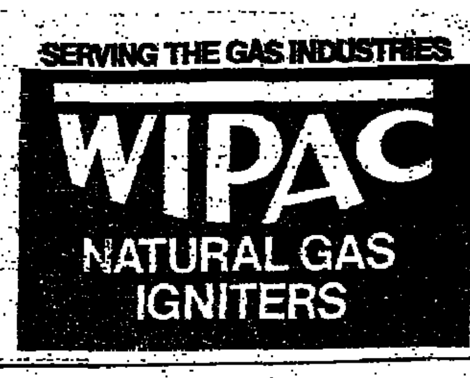


SAVINGS AND INVESTMENTS **Is your bank a secret service?** p13


HOW TO SPEND IT p17 **Armchair christmas shopping**

FEATURES **FAMINE** p20 **Why the West wakes up too late** p21 **INDIA** **Sorrow, anger and riots**


COLLECTING p19 **Before and after Mrs Beeton**


ARTS p18 **The magic carpets of Istanbul**

WORLD NEWS

Pleas to miners stepped up

The Government and coal board yesterday stepped up their call to striking miners to return to work, but the board faces a revolt from its management union.

Energy Secretary Peter Walker said miners were increasingly recognising the strike was a "senseless dispute," and the board offered a Christmas bonus for miners who go back to work next week.

The management union, however, said it had lost confidence in the chief executive, following treatment of senior staff. Back Page

Three jailed for attack

Terence and Charles Bradford and Edward Mitchell were jailed for 13 to 18 years at the Old Bailey over the robbery of South London newsagent Harry Tipple and his wife Cicely, during which Mr Tipple's toe was cut off and pushed into his mouth.

Boost for competition

More big steps towards increasing both competition and privatisation will be the main theme of the Queen's Speech next Tuesday. Page 3

Polish arrests

A police general in Poland's Interior Ministry was suspended and two colonels arrested in connection with the killing of a dissident priest. Strike, Page 2

Beirut crossings closed

Rocket and rifle fire closed two crossings between east and west Beirut as officials prepared for talks on Israeli troop withdrawals. Page 2

U.S. executes woman

Velma Barfield became the first woman put to death in the U.S. for 22 years, when she was put death by lethal injection

Private schools warned

Independent schools were warned to improve their management if they are to survive the next decade. Page 4

Big turnout expected

Nicaragua's government expects an 80 per cent turnout for tomorrow's election. Sr Daniel Ortega, head of government, warned of the danger of a U.S. invasion. Page 2

Svetlana goes home

Josef Stalin's daughter Svetlana, who defected to the U.S. in 1967, returned to Moscow, the Kremlin said. Page 2

Class war over

China formally ended the class war against "landlords, rich peasants, counter-revolutionaries and bad elements" begun in 1949. Some 20m of them have been "remoulded."

£1.6m for a de Kooning

Two Women, an abstract painting by Willem de Kooning, sold for $1.98m (£1.6m) in New York, a record for a work by a living artist.

Swiss squeeze

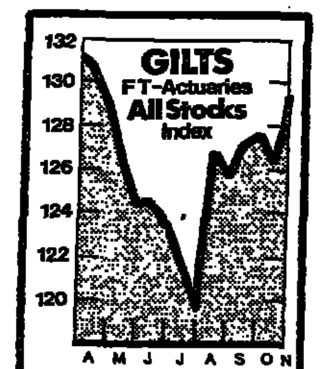
Switzerland is shrinking by 3 mm a year, and the Alps rising 1.5 mm, as the German and Italian land masses move closer together, a Swiss geological study showed.

BUSINESS SUMMARY

Ordnance job losses confirmed

GOVERNMENT confirmed that 1,819 jobs are to go at four of Britain's 13 Royal Ordnance factories. The announcement came two days after the factories' privatisation Bill became law but the Defence Ministry said the cuts were not linked with their planned sale, they would have been needed earlier had the Falklands war not used up ammunition stocks. Back Page

GILTS prices continued their strong upward trend, prompting the Bank of England to announce the sale of a £1bn tap stock, the first such large issue since August. The FT-Actuaries All Stocks Index closed 1.04 higher at 129.39; the FT Government Securities Index closed 0.92 higher at 82.28. Page 27 Tap stock, Page 3



TOKYO stock exchange recouped most of Thursday's fall, closing at 80.39 higher at 11,249.95 after active trading following expectations of a fall in the U.S. discount rate. Page 24

UNEMPLOYMENT in the U.S. for October was 7.4 per cent, the second month running said the Labor Department but total employment rose 370,000 to 105.59m. Page 2

ARTHUR ANDERSEN, U.S. accountants, agreed to pay Marsh and McLennan, largest U.S. insurance broker, $19.9m (£16m) to settle a shareholder suit after a $150m loss on unauthorised bond trading was discovered at the insurance group.

ISRAEL announced agreement on a three-month wage price and tax freeze to tackle its almost 1,000 per cent inflation rate. Page 2

BANK BUMIPUTRA, Malaysia's largest bank, lent HK$3.7bn (£387m) between 1982 and 1983, nearly 60 per cent of its outstanding loans, to Carrian and Eda companies of Hong Kong to save them from collapse. Page 23

NORTHERN IRELAND'S Industrial Development Board announced that Iwax was to become the province's first Japanese manufacturing investor when it opens a cigarette lighter factory in Co. Antrim. Page 4

FLIGHT REFUELLING (Holdings), defence contractor, forecast pre-tax profits for 1984 of at least £9.65m after the first half profits before tax of £4.83m on turnover of £29.22m. Page 22

BRITISH TELECOM will become a constituent of the FT-SE 100 Index and the FT-Actuaries All-Share Index as soon as it is privatised. Page 3

Lonrho sells holding in House of Fraser

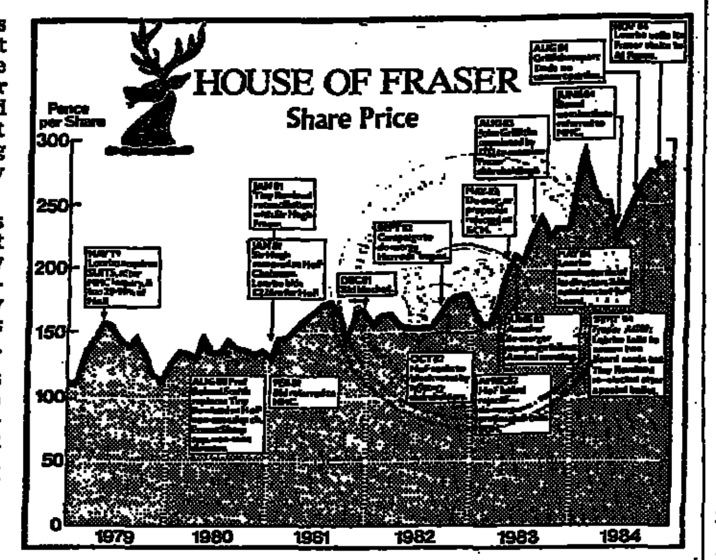
BY JOHN MOORE, CITY CORRESPONDENT

MR ROLAND "Tiny" Rowland's Lonrho has sold its 29.9 per cent stake in House of Fraser, the Harrods stores group, for £138.3m. The move would appear to bring to an abrupt end one of the longest-running battles for control of a company in recent commercial history.

The purchaser of Lonrho's stake is the Alfayed Investment and Trust, controlled by Mohamed, Salah and Ali Al-Fayed, members of a wealthy Egyptian family whose interests include the Ritz Hotel in Paris.

The surprise deal was clinched this week. It seems to mark the end of a Lonrho campaign for control at Fraser that has lasted more than seven years. Merchant banking advisors Kleinwort Benson, acting for the Egyptians, has been finalising the deal this week.

Lonrho said it finally decided to sell when the Department of Trade and Industry said this week that it had granted the Monopolies and Mergers Commission a further three months to examine the group's relationship with Fraser. "We held a board meeting," said Lonrho director Mr Paul Spicer. "We decided that as we were already the most investigated company in Britain 'stuff it'—and then said that we had better look at these offers."



Professor Roland Smith, the Manchester University professor of marketing who has chaired Fraser for nearly four years, said his company viewed the deal with a sense of relief. "It will now allow us to get on and run the company."

The Al-Fayed brothers had negotiated directly with Lonrho, "but they had the courtesy to approach us and tell us what they were going to do to see whether we objected," he said.

"They did not want to go ahead and buy the shares if we were likely to object — and they also made it quite clear they wanted us to carry on as we are now running the business."

Two of the Al-Fayed brothers, Mohamed and Ali, will become non-executive directors, "and we are pleased to have

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Angola to withdraw Cubans

BY PATTI WALDMEIR IN LONDON AND ANTHONY ROBINSON IN JOHANNESBURG

ANGOLA HAS agreed in principle to withdraw an estimated 25,000 Cuban troops from its territory, in return for a withdrawal by South Africa from southern Angola and Namibia, according to western diplomats close to the Namibia peace talks.

This concession apparently removes what has been the main stumbling block in the way to agreement on Namibian independence for the past three years.

Angola had been refusing to accept a formula for a Namibian settlement, which would specifically link a withdrawal of Cuban forces to a South African pull-out.

But the U.S. has been pressing Angola to accept the linkage principle since 1981, insisting that South African agreement on Namibia could not be secured without the removal of what Pretoria sees as the threat of Cuban forces.

Mr Chester Crocker, the Assistant Secretary of State for African Affairs, who is the chief U.S. negotiator, is understood to have conveyed detailed Angolan proposals on reciprocal withdrawal to a high-level South African delegation, including Mr Pik Botha, the Foreign Minister, during two days of talks in the Cape Verde Islands, which ended late on Thursday.

Western diplomats close to the talks last night expressed cautious optimism that what they describe as a fundamental shift in Angola's position could break the deadlock over Namibia, raising hopes for an end to the 17-year-old guerrilla war in the territory.

They stress, however, that weeks or even months of tough negotiations lie ahead before an agreement to grant Namibia independence under the provisions of United Nations Security Council resolution 435 can be worked out in detail.

Pretoria's initial response to the new Angolan offer has been positive. A Government statement after the talks said: "Progress has been made in respect of a broad consensus on a number of important principles." It welcomed the fact that the Angolan government had made proposals on a withdrawal of Cuban troops.

Mr Botha is expected to deliver to Mr Crocker a more considered response to the proposals next week, possibly at a meeting in Munich on Tuesday.

The main queries over the talks now are:

- Will Pretoria agree to complete the withdrawal of its troops from southern Angola? The withdrawal, to have been completed by April last, is stalled about 25 miles inside Angola. A South African call for a meeting before November 15 of the high-level joint military commission—set up to supervise the withdrawal and to monitor the military activity by Swapo (the South West African People's Organisation, which is pursuing Namibian independence)—is seen as encouragement on Pretoria's part.
- Will Angola and South Africa be able to agree on a precise timetable for the respective withdrawals?
- Will Pretoria withdraw its support for the rebel Unita forces of Dr Jonas Savimbi in Angola?

Background, Page 2

Bonn aims to cut industry stake

BY PETER BRUCE IN BONN

DETAILED proposals to reduce the West German Government's holdings in industry and commerce, including its shares in the airline Lufthansa, the motor group Volkswagen, and two banks, are being discussed in Bonn.

The proposals, drawn up by the Finance Ministry, are thought likely to go before the Cabinet within the next two weeks. They represent an attempt to get the Bonn coalition's two-year-old commitment to privatise part of state industry off the ground.

According to the list of candidates for privatisation, some details of which were leaked yesterday, Dr Gerhard Stoltenberg, the Finance Minister, will also try to persuade his Cabinet colleagues to reduce the Government's stake in some Bundesbahn (railway) subsidiaries; the Vereinigte Industrie-Unternehmungen (VIAG), an energy, aluminium and chemicals holding company; the Deutsche Industrieanlagen (DIAG), a plant, machinery and arms manufacturer, and Prakla-Seismos, an oil and gas exploration group.

In general the Ministry has not proposed ending overall Government control of any undertakings where the Government holding is more than 50 per cent.

At Volkswagen, however, where the Federal Government has 20 per cent, the suggestion is that this be cut to 14 per cent, which could be achieved by not participating when VW next raises capital.

Lufthansa, the West German national airline, is probably the most controversial candidate on the Finance Ministry's list. The Government stake should be reduced from 79.9 per cent to 55 per cent, the Ministry suggests.

Particularly strong opposition to any change in the Lufthansa holding has come from Herr Franz Josef Strauss, the Bavarian leader, largely because of fears that an independent Lufthansa might not continue to buy from the European Airbus Industrie consortium. Herr Strauss is a director of Airbus.

As a first step, the Finance Ministry seems likely to propose a modest reduction in the federal government stake in VIAG, the holding company for West Germany's biggest aluminium producer, VAW. The present 87 per cent holding could be reduced to 75 per cent, though in the longer term there would be a public flotation.

Dr Stoltenberg is also looking to reduce the stake in one of the country's biggest mortgage banks, the Deutsche Pfandbriefanstalt, from 68 per cent to just over 50 per cent.

Dr Stoltenberg will probably also face opposition from Herr Ignaz Kiechle, the Agriculture Minister, over a proposal to cut the Government's 99 per cent holding in the Bonn-based bank, Deutsche Siedlungs und Landesrentenbank.

Death toll rises to 500 in Indian rioting

By John Elliott in New Delhi

MORE THAN 500 people are believed to have died in India during the past three days, including 90 in one incident in the capital New Dhli, as Hindu mobs attacked Sikhs in revenge for the assassination of Mrs Indira Gandhi, the Prime Minister, by two Sikhs on Wednesday.

As world leaders arrived for the cremation of Mrs Gandhi this afternoon, police opened fire at 20 different places in the capital to try to quell the rioting.

Death tolls also mounted in other parts of India, including Uttar Pradesh and Bihar in the north and Madhya Pradeshr in the middle of the country. All places affected have concentrations of Sikh homes and businesses.

The situation in the Punjab, the Siks' home state, was not known because of a clamp-down on newspaper reporting, but Amritsar station was closed.

Two trains were stopped and stoned in the Punjab, according to travellers. Sikhs were dragged from trains. In New Delhi several hundred Sikhs sought shelter at New Delhi railway station, afraid to board trains or travel across the city.

Mr Rajiv Gandhi, whose position as leader of the Congress I party and thus as Prime Minister was confirmed by the party's top councils last night, made his second radio and television broadcast in three days to appeal for calm.

"Communal madness will destroy us. It will destroy everything India stands for. As Prime Minister of India I cannot and will not allow this," he declared.

The army has been instructed to take instant and tough action against rioters, although there was little evidence of army action in many parts of New Delhi.

More than 30 towns are partly or fully under curfew and the army has been called into at least 18 towns. Shoot on sight orders, already issued in Delhi and some other cities, were extended yesterday to all areas in the state of Haryana, which lies between Delhi and the Punjab.

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UK shares boosted as $ falls further

BY PHILIP STEPHENS IN LONDON AND PAUL TAYLOR IN NEW YORK

THE DOLLAR continued to fall against other major currencies yesterday as financial markets anticipated further declines in U.S. interest rates.

The drop intensified the belief in London that Britain's base lending rates may be cut early next week—perhaps after publication of official money supply figures on Tuesday.

Shares showed strong gains on the London Stock Exchange, where the FT-Actuaries all-share and the FT-SE 100 indices both reached record levels.

The FT Industrial Ordinary index broke through 900 for the first time since the spring to close 10.7 higher at 907.6. Gilt edged prices rose by up to two points.

Foreign exchange dealers said the dollar's losses, which took its decline since the start of the week to nearly 4 per cent, reflected a marked change in sentiment towards the U.S. currency.

Evidence of sluggish economic growth, the feeling that the Federal Reserve Board may respond to recent pressure from senior administration officials to ease credit policy and forecasts of an early cut in U.S. prime rates have combined to undermine confidence in the dollar.

The recent sharp decline in the dollar has been underpinned by the continued downward drift in short-term U.S. money market roles over the past two months.

Perhaps for the first time, however, the New York foreign exchange markets are now also showing some signs of jitters before the presidential election on Tuesday.

Although the markets are still betting on a Reagan win, dealers noted that many important investors had taken big dollar positions ahead of the election.

"The event could prove to be anti-climatic," one New York trader said yesterday, "so we are seeing some pre-election adjustment." Early trading in New York was described as "very active but orderly."

Dealers in markets elsewhere were predicting a further decline in the dollar's value over the coming days, but they remained reluctant to forecast that this week's fall signalled a decisive and sustained turnround in its fortunes.

In New York, many felt the dollar could fall lower, perhaps to around DM 2.85, but they also suggested that the U.S. currency could rebound—particularly if there are signs of a Fed-inspired pick-up in U.S. economic activity.

"It is too soon to say this is a turning-point and we still have a very strong dollar," one bank trader commented.

In early trading yesterday the dollar went as low as

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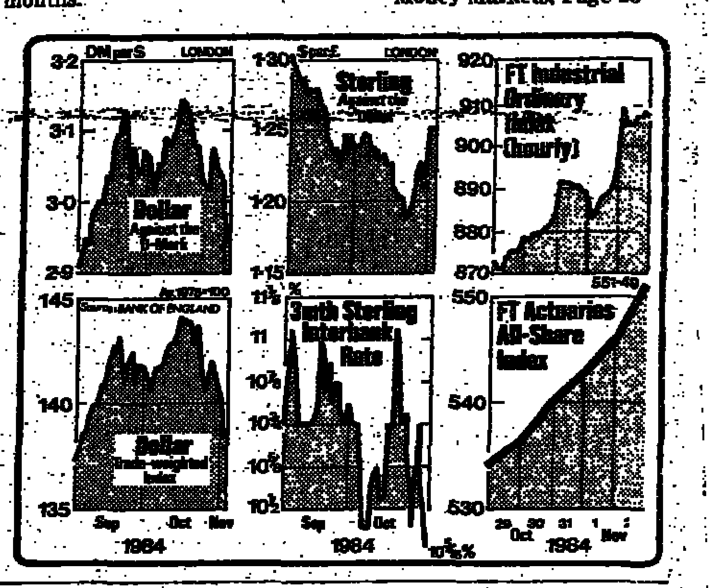

MARKETS

DOLLAR

New York lunchtime
DM 2.953
FFr 9.07
SwFr 2.4325
Y242.2

London:
DM 2.946 (2.99)
FFr 9.055 (9.18)
SwFr 2.4255 (2.46)
Y241.55 (244.35)

Dollar Index 138.6 (140.5)
Tokyo close Y243.2

U.S. LUNCHTIME RATES

Fed Funds 10 1/16%
3-month Treasury Bills: 9.5%
Long Bond: 107 5/32
yield: N/A

GOLD

New York: Comex Nov latest $339.9
London: $342.5 ($335.75)

STERLING

New York lunchtime $1.2485
London: $1.2515 (1.235)
DM 3.68 (3.695)
FFr 11.33 (11.335)
SwFr 3.025 (3.04)
Y302 (301.5)
Sterling Index 75.7 (75)

LONDON MONEY

3-month interbank:
mid rate 10 5/16% (10¼)
3-month eligible bills:
buying rate 9 45-64ths% (9 11/16)

STOCK INDICES

FT Ind Ord 907.6 (+10.7)
FT-A All Share 551.41 (+1.0%)
FT-SE 100 1,168.6 (+10.2)
FT-A long gilt yield index:
High coupon 10.13 (10.3)
New York lunchtime:
DP Ind Av 1,219.95 (+2.43)
Tokyo:
Nikkei Dow 11,249.95 (+80.39)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,200; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 76; Spain Pta 100; Sweden Kr 6.50; Switzerland Fr 2.00; Ireland 60p; Malta 30c.

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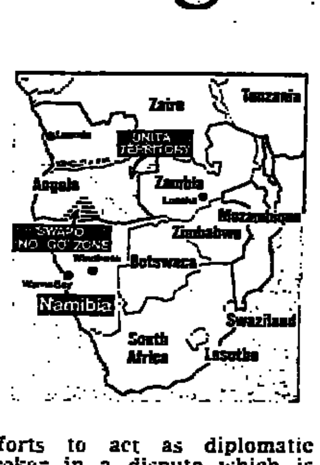
For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Angola's change of heart raises hope of Namibia pact

BY PATTI WALDMER

ANGOLA'S decision to significantly shift its negotiating position on the vexed issue of the withdrawal of Cuban troops from the country has raised cautious hopes among Western diplomats that an end to the 17-year guerrilla war in Namibia may be in sight.

The dispute, the subject of intense diplomatic activity since 1977, has involved not only the main protagonists—Angola, South Africa, and the South-West Africa People's Organisation (Swapo)—but has preoccupied the entire southern African region.



It has drawn in the so-called front-line states (Zimbabwe, Zambia, Botswana, Tanzania, and Mozambique) and has been turned into a super-power issue by U.S. insistence that a Namibia settlement be linked with the withdrawal of Cuban troops from Angola.

The role of the front-line states has recently been fairly limited with attention focusing on a series of bilateral U.S. efforts to act as diplomatic broker in a dispute which is seen as a major threat to stability in the region.

The five-nation Western Contact Group which acted jointly as intermediary in the dispute has been largely sidelined since 1982 due to misgivings among the five over the Reagan Administration's insistence that independence for Namibia could not precede a Cuban troop pull-out.

The Administration has repeatedly argued that resolution of the Namibia problem is the key to reducing tensions in the region and, eventually, to encouraging moderation of South Africa's apartheid policies.

Angola has insisted until now that the withdrawal of some 25,000 Cuban troops would only be considered after Namibia was firmly on the road to independence.

The Cubans primarily act as a rearguard force, although there have been reports recently of Cubans killed in action during a major Angolan military offensive against the South African-backed rebel forces of Dr Jonas Savimbi's Unita in May this year.

The continued presence of South African troops in southern Angola, coupled with a significant military momentum built up by Unita forces over the past year, have left Luanda facing the stark choice between strongly-held principles and a pragmatic response to U.S. pressure for compromise.

With over half of the state's budget earmarked for defence, and with revenue from oil (80 per cent of export revenues) restrained by the current oil glut, Angola's economy continues to deteriorate.

It has become increasingly apparent that prospects for the recovery of an economy which was severely dislocated by conflict when the country's Portuguese colonisers left in 1974 would remain limited until peace can be restored in the south and a settlement can be gained in Namibia.

Should Angola's apparent concession on the "linkage" issue lead to a real breakthrough in the stalled talks, South Africa may be persuaded to agree to implement UN Security Council resolution 435. The resolution calls for a 7,500-strong UN peacekeeping and monitoring force to oversee removal of SWAPO forces from Namibia and the restriction of South-African forces to 2 Namibian bases. UN supervised elections would follow in seven months with voters choosing a constituent assembly empowered to write a constitution for independent Namibia.

The fragility of South Africa's attempt to play honest broker and bring about a ceasefire in the Mozambican civil war was dramatically underlined yesterday when a spokesman for the rebel Mozambican National Resistance (MNR) in Lisbon announced it had decided to withdraw from the trilateral negotiations set up under the terms of the October 3 Pretoria declaration.

The spokesman, Sr Jorge Correira, accused Mr Pik Botha, the South African Minister of Foreign Affairs, of being "an unconditional ally of the Communist Frelimo regime."

The decision to break off the talks followed two days of discussions in Pretoria earlier this week during which the Mozambican government delegation and the MNR refused to sit around the same table.

Prior to the Nkomati agreement of March 16 between South Africa and the Frelimo government, Pretoria actively supported the MNR with guns and money. Since then it has ended its official support. But Frelimo spokesmen accuse South Africa of not doing enough to dismantle what they call the "MNR apparatus" and its connections with unofficial South African and former colonial Portuguese supporters.

Three-month freeze on pay and prices agreed, says Peres

BY DAVID LENNON IN TEL AVIV

PRIME MINISTER Shimon Peres announced yesterday that agreement had been reached with unions and employers on a three-months freeze in wages, prices and taxes.

The Premier described the package deal as a united effort to control inflation which is rapidly approaching the 1,000 per cent mark and "an important step forward" in the fight to cure the economy.

Peres . . . united effort to control inflation

The Israeli economy has been in serious trouble for some time with the inflation rate rising to more than 20 per cent a month, a huge deficit in the current account balance of payments, and a sharp fall in foreign currency reserves in recent months.

The tripartite agreement was initialled yesterday after weeks of haggling and is expected to go into effect next week once the Cabinet, the Histradut trades union federation and the Manufacturers Association approve the accord.

The Premier regards the wage and price freeze as the centrepiece of the Government's economic recovery programme, which already includes a $1bn cut in the $20bn budget, measures to curb demands, a ban on the import of luxury goods and restrictions on the export of foreign currency.

The details of the package deal have yet to be announced but one of the key provisions is agreement by the unions to forgo part of the monthly cost of living increments which automatically compensate wage earners for inflation. This sacrifice will be partly offset by a 5 per cent cut in income tax.

Manufacturers and other employers are expected to hold down the price of their goods and services in real terms for the period of the freeze in return for a Government agreement to lower the cost of credit.

Mr Israel Kessar, the Histradut secretary general, said the agreement will help industries maintain their current levels of employment.

Daughter of Stalin flies back to Soviet Union

JOSEF STALIN'S daughter Svetlana has returned to Moscow 17 years after defecting to the U.S. and repudiating the communist system, the Kremlin announced yesterday, **Reuter reports from Moscow.**

A brief statement said that she was back in Moscow and that the State Presidium had agreed to restore her Soviet citizenship, as well as that of her daughter Olga, 13, born during Svetlana's brief and unsuccessful marriage to a U.S. architect.

Svetlana's defection in 1967 caused a worldwide sensation and she outraged the Kremlin by publishing a book giving details of her father's private life. She was denounced as a traitor in the Soviet press and stripped of her citizenship in 1970.

Packer's denial

Mr Kerry Packer, the Australian media tycoon, last night issued a strong denial of all allegations made against him by an official investigation into organised crime which recommended that he should be prosecuted. **Reuter reports from Sydney.**

Mr Packer, one of Australia's leading businessmen, said in an 8,000-word statement that the final report of a four-year Royal Commission on crime was a "dishonest and malicious document."

The report, released yesterday, said the shotgun death of a former employee of one of Mr Packer's business associates should be treated as murder. Mr Packer denied any involvement in the death.

Over-fishing charges

The European Community Commission is to act against seven member states for exceeding fishing quotas in breach of the group's common fisheries policy, the Commission said yesterday, **Reuter reports from Brussels**

Chile's inflation up

Chile's consumer price index increased by 8.2 per cent in October, bringing the country's accumulated inflation for the first 10 months of the year to 19.1 per cent, the Government's national statistical institute announced, **Mary Helen Spooner writes from Santiago.**

Gandhi's funeral gives superpowers rare chance to talk

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE FUNERAL today of Mrs Indira Gandhi, the Indian Prime Minister, who was assassinated as she left her home last Wednesday, will provide the opportunity for high-level talks between the U.S. and the Soviet Union as well as the chance of an improvement in relations between India and Pakistan.

State funerals, such as those of President Sadat of Egypt in 1981, President Tito of Yugoslavia in 1980 and President John Kennedy in 1963, traditionally offer the chief mourners a rare occasion to mend their fences with each other.

Today's event is no exception, though the two main protagonists on the world stage, President Ronald Reagan of the U.S. and President Konstantin Chernenko of the Soviet Union, will not be present in New Delhi.

However, their representatives, Mr George Shultz, the U.S. Secretary of State, and Mr Nikolai Tikhonov, the Soviet Prime Minister, are sufficiently senior to make useful contacts.

Mr Shultz has said that he hopes to meet Mr Tikhonov in spite of the virulent anti-American Press, radio and television campaign that has been launched in the Soviet Union and other East European countries following Mrs Gandhi's assassination.

The communist bloc media have printed and broadcast a spate of commentaries suggesting that the U.S. Central Intelligence Agency (CIA) fomented the communal strife in India which led to Mrs Gandhi's assassination.

The official Soviet newspapers and the government-controlled news agency Tass have alleged that political assassination was a routine part of U.S. foreign policy.

After the U.S. had delivered sharp protests against these reports in both Washington and Moscow, there were indications that some of the most extreme allegations of CIA involvement in Mrs Gandhi's assassination were being toned down.

But Pravda, the Soviet Communist Party newspaper, still said in a despatch from New Delhi that Mrs Gandhi's murder was "the greatest subversive operation in the plans to destabilise and dismember India conceived by her enemies."

Mr George Shultz (left) hopes to meet Mr Nikolai Tikhonov in New Delhi

The attention of political observers will also be focused on the exceptional attempts being made by President Mohammed Zia-ul-Haq of Pakistan to restore his country's frigid relations with India to a more friendly and constructive level.

To underline his good intentions, President Zia is expected to attend the funeral himself. He has already gone out of his way to offer his co-operation to Mr Rajiv Gandhi, the new Indian Prime Minister and Mrs Gandhi's son.

India's other powerful neighbour, China, with which it has had a long-standing and bitter border dispute, is sending only a vice-premier, Mr Yao Yilin, to the funeral. It was clearly felt in Peking that, to have sent Mr Zhao Ziyang, the Prime Minister, would have been out of keeping with the tense relations between the two countries.

On the Western side, the most influential leader to go to the funeral will be Mrs Margaret Thatcher, the British Prime Minister, who enjoyed a warm personal relationship with Mrs Gandhi. Mrs Thatcher's presence and that of Princess Anne, representing the Queen, is also a reflection of Britain's leading role in the Commonwealth, of which India has always been an active member.

Lebanese efforts to name military delegation continue

BY NORA BOUSTANY IN BEIRUT

FIGHTING across Beirut's mid-city greenline closed down two crossing points between the Moslem and Christian halves of the capital yesterday as efforts continued to name a delegation for crucial military talks with Israel.

Mr Abdel Halim Khaddam, Syria's vice-president gave his blessing to United Nations-sponsored Lebanese-Israeli troop withdrawal negotiations that are scheduled to begin on Monday.

Mr Khaddam, while giving the Syrian go-ahead for the talks, warned that his country would not guarantee the Israeli border against guerrilla incursions.

His endorsement of the talks—to be held in the South Lebanese town of Naqoura—gave cause for optimism. However, confusion still reigned in Beirut as to who would be its military representatives.

The Druze chief of staff, General Namid Hakim, who died in a helicopter crash on August 28, has yet to be replaced. The absence of Mr Walid Jumblatt, Druze Tourism Minister, and Mr Nabih Berri, South Lebanon Minister from Lebanon are likely to delay an extraordinary Cabinet Meeting, originally planned for today and which is supposed to name teh Lebanese team for Naqoura

Thai baht devalued by 14.8%

By Chris Sherwell, South East Asia Correspondent

THAILAND unexpectedly devalued the baht by 14.8 per yesterday, reversing its previous tough stand on the issue, in a bid to improve the country's external payments position. The sudden move, announced after markets had closed in the Far East as effective from Monday, reduced the rate for the baht from 23 to the U.S. dollar to 27.

An exchange rate adjustment, had long been recommended by outsiders, including the World Bank. It is likely to be welcomed by bankers.

Hitherto, a devaluation has been strongly resisted by the Thai Government, and especially the influential military.

Thailand suffered its worst ever trade deficit in 1983, almost $3.9bn and had sought to reduce the gap through curbs on credit to limit imports.

Go-ahead for 'non-bank banks'

BY PAUL TAYLOR IN NEW YORK

U.S. BANK regulators have approved applications by 13 bank holding companies, including one from a U.S. subsidiary of Britain's Barclays Bank, to set up 29 limited-service banks across the U.S.

The move, which exploits an existing loophole in U.S. banking law which Congress has failed to close, is seen within the banking industry as potentially a major step towards interstate banking in the U.S. which could lead eventually to a restructuring of the industry.

The approval, which came from Mr C. Todd Conover, the U.S. Comptroller of the Currency, is the first step by the regulators to deal with 332 applications by bank holding companies to set up so-called "non-bank banks" across the U.S. The regulators have said that they have no legal power to block the applications which are strongly opposed by the nation's 14,000 smaller banks.

The non-bank banks escape existing U.S. restrictions on interstate banking because they offer only limited services. Of the initial 29 applications approved by the comptroller 17 cover new banks which will not make commercial loans, while 12 will not take demand deposits.

Before the 13 bank holding companies can establish the new units they will also require the approval of the U.S. Federal Reserve Board. Separately the Fed has reluctantly approved another group of applications covering five limited service banks in Florida and Washington DC. However in approving the applications the Fed signalled its disapproval of the new units by laying down strict guidelines for their operation.

Margaret Hughes adds: Mr Brian Pearse, General Manager of Barclays' North American operations confirmed yesterday that three of the 24 applications which Barclays had submitted had been approved by the Comptroller of the Currency.

These relate to three of Barclays American Corporation's consumer finance offices in Orlando, Florida; Cincinnati, Ohio and Columbus, Ohio. Subject to final regulatory approval, be coverted into organisations which will accept deposits as well as handling consumer loans as they do now. As stipulated by U.S. regulations they would not be involved in commercial lending.

Mr Pearse said he was hopeful that the 21 other applications would also be aproved at a later stage.

Walesa declines to back strike

By Christopher Bobinski in Warsaw

MR LECH WALESA yesterday declined to join a call for a one-hour token strike in the Gdansk region on November 9 proposed by Solidarity leaders there to protest the murder of Father Jerzy Popieluszko.

Mr Walesa, who is to speak at today's funeral in Warsaw of the dissident priest, said he did not think the "climate" right for strikes. The call, issued on Thursday by Mr Andrzej Gwiazda, his former deputy, "didn't represent my point of view."

Meanwhile, some 5,000 people waited at Fr Popieluszki's parish church in northern Warsaw for the arrival of his body from the official autopsy.

Prayers for Fr Popieluszko continued all night at the church. Cardinal Jozef Glemp, the Polish Primate, is to officiate at the funeral which will be held in the church where Father Popieluszko worked since July 1980

Originally the authorities had wanted him buried in the country in Eastern Poland where he was born but the Church insisted on a funeral in Warsaw and his parishioners demanded that he be buried in the church grounds.

AP adds from Washington: Polish authorities refused to grant U.S. Senator Edward Kennedy a visa to attend the funeral, an aide to Mr Kennedy said yesterday. The Senator's deputy press secretary said Mr Kennedy was told that the visa request was being denied because no foreign delegations were attending the funeral.

Bitter conflicts dash hopes of Arab League summit

BY TONY WALKER IN TUNIS

BITTER inter-Arab conflicts appear to have torpedoed for the time being an Arab League summit scheduled for later this month in Saudi Arabia.

Senior officials of the Arab League, which has its headquarters here, say that "intensive efforts" are still going on to prepare the ground for a summit, but privately they concede there is little prospect of one being convened.

They cite differences over the Gulf war, the Palestinian issue, and the question of Egypt as barriers in the way of a summit. There are also difficulties over proposed amendments to the Arab League Charter.

Jordan for example is pushing for an amendment that would change voting rules from the requirement that there be a consensus—effectively unanimous approval of resolutions—to vote by majority. Syria has flatly rejected the proposal which would benefit the moderates who are in a clear majority among League members.

The last meeting of the Arab League was at Fez, Morocco in 1982 where a peace plan was advanced which implicitly recognised Israel's right to exist. At the time the Fez plan was regarded as a possible basis for negotiation on the Palestinian issue.

Arab League officials are pessimistic about both prospects for renewed Middle East peace efforts under present circumstances and Egypt's return as a full and active member of the Arab League.

U.S. jobless rate remains steady

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday received a final piece of pre-election good news on the economic front, as government figures showed U.S. unemployment holding steady at 7.4 per cent in October and the number of jobs increasing. It was the last major economic indicator due before polling on Tuesday.

The unemployment rate has remained at 7.4 or 7.5 per cent for six months, except for June, when it dropped to the lowest point since the end of the 1981-82 recession, 7.1 per cent.

Yesterday's Labour Department report said that about 6.5m jobs had been created since November, 1982, 350,000 of them last month, and most of them in the service sector.

The number of people still looking for work, at 8.4m was slightly less than the 8.5m reported in each of the previous three months.

Mr Reagan yesterday continued his final cross-country swing to bring out the vote, repeatedly warning supporters not to think "it's all over" and stay home on election day.

White House political strategists nevertheless continued to exude confidence, believing that a sweep of all 50 states by Mr Reagan is possible on Tuesday. A Reagan campaign official acknowledged that the Democrats had succeeded in winning back some of their wayward supporters, but said that the Republicans "still have an advantage in every state."

As a Louis Harris poll showed Mr Reagan's lead slipping from 19 to 16 percentage points, 57 to 41 per cent, Mr Walter Mondale, the Democrtic challenger, repeated his conviction that he would still win.

"The pollsters are trying to tell you that the election is over. The slick magazines have told you the election is over. But they forgot one thing: Polls don't vote. People vote and you're going to pick your own President," he said.

Oil crisis 'not resolved'

THE EXECUTIVE director of the International Energy Agency yesterday said Opec had taken a narrow approach to the problem of falling oil prices and that another crisis meeting could come soon, Reuter reports.

Mrs Helga Steeg, said: "The oil situation has not been settled once and for all by the Opec decision. One should not attach too much importance to it."

The ministers of the Organisation of Petroleum Exporting Countries, meeting in Geneva this week, agreed to cut overall production by 1.5m barrels per day (bpd), to 16m bpd, in the hope of bolstering prices.

Mrs Steeg said the ministers had left unresolved the key issue of price differentials on various grades of oil. "We do not really know whether they will come to terms with the differentials," she said.

Asked if another crisis meeting of Opec ministers would be necessary early next year, she replied: "It could, but it is not definite."

Nicaraguan poll turnout of 80% predicted

By Tim Coone in Managua

THE NICARAGUAN Government expects a turnout of at least 80 per cent for the elections on Sunday of a president, vice-president, and 90-member National Assembly, said Dr Sergio Ramirez, one of the three-man ruling junta and vice-presidential candidate for the Sandinista party.

He said also that, through the recently initiated national dialogue, all the political parties, trade unions, church and private sector in the country can participate in the drawing up of a new constitution, a task entrusted formally to the new National Assembly.

The far-right Co-ordinadora Democratica, which is not taking part in the elections, is threatening to pull out of the national dialogue if the elections are not postponed. However, there is virtually no chance of a postponement.

Resolution underlines French Communist Party disarray

BY PAUL BETTS IN PARIS

THE STATE of political crisis and intellectual disarray inside the French Communist Party was underlined yesterday with the publication of the draft resolution for the party's 25th Congress next February.

The resolution, a lengthy document approved this week by the party's central committee, will form the basis of the debate at the Congress.

Published yesterday in the Communist daily newspaper, L'Humanite, it reflects the efforts by the party's hardline leadership to justify the party's steady decline and to prevent a reformist movement inside the party from gathering further influence.

The leadership blames the party's problems on the so-called "union of the left" in France and the party's association in government with the Socialists. The resolution says that the Communists' decision to withdraw from the government this summer "marks the end of a phase in the political life of France."

The party admits for the first time in public that its membership has been declining. It expects to see its membership fall to 610,000 at the end of this year from about 700,000 in 1981.

The document attacks the Socialist Party for embracing "capitalist" policies and for allowing its Government to be swayed by the "forces of capitalism."

However, the resolution's contradictions, political commonplaces and dearth of intellectual content and fresh political thought led the left-wing daily newspaper "Liberation" to comment in an editorial yesterday: "The decline of the Communists is not only electoral. It is also intellectual."

The main theme of the resolution is the need for the Communists to create a popular movement attracting voters from outside the party.

President Francois Mitterrand's popular approval rating has slipped to the lowest level ever recorded during his three-and-a-half years in office, according to a poll released yesterday, AP reports from Paris.

The poll, conducted between October 18 and 24 reported that 59 per cent of those questioned said they were "not confident" M Mitterrand could "resolve the problems currently facing France." Thirty-seven per cent expressed confidence in his ability.

After condemning the union of the left with the Socialists, the party says it still believes in such a union as long as it remains consistent with its political and popular aspirations and does not betray them.

Although the resolution was approved by the central committee, as expected, this week, six leading party members abstained in the vote. They included M Pierre Juquin, the party's official spokesman, and M Marcel Rigout, a Communist minister in the former French left-wing coalition government.

The abstentions reflect the growing split in the party, which polled only 11 per cent of the French vote in the European elections last June.

Despite strenuous attempts by the leadership to quash the dissidents, the reformists are fighting back. Their influence also appears to be growing at lower levels in the party worried by the party's decay.

The next months are likely to see further efforts by the leadership to silence the debate in the party before the Congress next February.

This is also likely to lead to major manoeuvring by individual party leaders for greater influence at the top of the party structure.

Among them is M Roland Leroy, the hardline editor of L'Humanite, who is making a comeback. M Georges Marchais, the party's secretary general, is expected to be re-elected at the Congress, although criticism over his leadership is growing.

The hardliners have also been irritated by the press coverage in France about the internal troubles. They dismiss the reports as "misleadingly biased coverage by the bourgeois media."

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Queen's Speech to emphasise more competition

BY PETER RIDDELL, POLITICAL EDITOR

FURTHER big steps towards greater competition and privatisation will be the central theme of the Queen's Speech to Parliament on Tuesday.

The proposals for legislation in the 1984-85 session will be presented as another instalment of the rolling programme to reduce the influence of the public sector and increase competition in the private sector.

The most controversial items are likely to be the lengthy Bill to abolish the Greater London Council and the metropolitan county councils, and the measure to remove restrictions on competition in bus services. In both cases, there is likely to be criticism from a vocal minority of Conservative MPs, as well as from members of the House of Lords.

Senior ministers believe, however, that the GLC abolition Bill will have a less difficult parliamentary passage than did the recent measure to cancel elections next spring in certain local authorities. The Whitehall view is that the biggest problems could arise over the implementation of rate capping, rather than over abolition.

Even so, the Government may have to offer concessions on the future administration of London, to avoid a revolt in the Lords.

Mrs Margaret Thatcher is expected to concentrate in her opening to the Queen's Speech on the continuing privatisation programme, on the Government's response to rising unemployment, on changes in local government and on hopes of progress with disarmament talks.

Apart from local government reorganisation, the main proposals will be:

- An updating and tightening of the law on insolvency, following the Cork report, to take account of industrialists' comments on proposals that affect directors of companies which go into compulsory liquidation.
- A profound revision of the law on building societies, to give them powers to diversify in the financial and housing services.
- Abolition of the Eady levy on cinema receipts, and of film production bodies backed by public funds.
- Revision of the law on life insurance warranties.
- Relaxation of bus licence rules to permit greater competition and a reorganisation of the National Bus Company to allow privatisation.
- Protection of the rights of early leavers in occupational pension schemes, to grant new rights on transfer values and to ensure disclosure of information to beneficiaries.
- A review of electoral law, including an increase in deposits required of candidates and an extension of the franchise for holiday-makers and British citizens resident overseas.
- The establishment of an independent national prosecution service, as exists in Scotland.
- Clarification of the law on telephone tapping.
- A veto for parents over corporal punishment in schools.
- Law on house transfers to be changed, to allow conveyancing by people other than solicitors, subject to strict tests of competence.
- Closure of the loophole in the law on conservation, used by farmers to avoid obedience to the designation of sites of scientific interest.

Jenkin warns Liverpool it faces £25m deficit

BY HAZEL DUFFY

MR PATRICK JENKIN, Environment Secretary, has fired the first shot at Liverpool city councillors in a threatened rerun of the confrontation earlier this year between the council and the Government over the city's budget.

The council has been warned that unless it starts to take economy measures quickly, it could be running up a deficit in 1984-85 of about £25m, indicating the need for rate increases next year of perhaps 100 per cent.

Mr Jenkin used the occasion of government approval for three sports halls, costing £2.4m, to issue his warning.

It is highly unusual for a government minister to intervene so publicly in the detailed affairs of a local authority's budget. But Mr Jenkin must be aware that he was upstaged in the earlier battle when Liverpool councillors claimed the Government had backed down in the face of their threat to make an illegal budget.

In a letter to councillors, Mr Jenkin, referring to economy measures identified in a joint Whitehall / Liverpool council study undertaken during the budget crisis, says he has so far "had no indication of the urgent positive action which the situation demands."

The measures included asset disposals, non-replacement of staff, and reform of the direct labour organisation.

Mr Derek Hatton, deputy leader Liverpool City Council, said yesterday: "This council does not intend to make any changes to its policy. The only thing that this Government understands is when people organise and fight back against destruction, reduction in services and loss of jobs."

BASE LENDING RATES

A.B.N. Bank	10½%	Heritable & Gen. Trust	10½%
Allied Irish Bank	10½%	■ Hill Samuel	§10½%
Amro Bank	10½%	C. Hoare & Co.	†10½%
Henry Ansbacher	10½%	Hongkong & Shanghai	10½%
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	11 %
Associates Cap. Corp.	10½%	Lloyds Bank	10½%
Banco de Bilbao	10½%	Mallinhall Limited	10½%
Bank Hapoalim	10½%	Edward Manson & Co.	11½%
BCCI	10½%	Meghraj and Sons Ltd.	10½%
Bank of Ireland	10½%	Midland Bank	10½%
Bank of Cyprus	10½%	■ Morgan Grenfell	10½%
Bank of India	10½%	National Bk. of Kuwait	10½%
Bank of Scotland	10½%	National Girobank	10½%
Banque Belge Ltd.	10½%	National Westminster	10½%
Barclays Bank	10½%	Norwich Gen. Tst.	10½%
Beneficial Trust Ltd.	11½%	People's Tst & Sv. Ltd.	12 %
Brit. Bank of Mid. East	10½%	R. Raphael & Sons	10½%
■ Brown Shipley	10½%	P. S. Refson & Co.	10½%
CL Bank Nederland	10½%	Roxburghe Guarantee	11½%
Canada Permn't Trust	10½%	Royal Bk. of Scotland	10½%
Cayzer Ltd.	10½%	Royal Trust Co. Canada	10½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	10½%
■ Charterhouse Japhet	10½%	Standard Chartered	10½%
Choulartons	11 %	Trade Dev. Bank	10½%
Citibank NA	10½%	TCB	10½%
Citibank Savings	¶11½%	Trustee Savings Bank	10½%
Clydesdale Bank	10½%	United Bank of Kuwait	10½%
C. E. Coates & Co. Ltd.	11½%	United Mizrahi Bank	10½%
Comm. Bk. N. East	10½%	Westpac Banking Corp.	10½%
Consolidated Credits	10½%	Whiteaway Laidlaw	11 %
Co-operative Bank	*10½%	Williams & Glyn's	10½%
The Cyprus Popular Bk	10½%	Wintrust Secs. Ltd.	10½%
Dunbar & Co. Ltd.	10½%	Yorkshire Bank	10½%
Duncan Lawrie	10½%		
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10½%		
Robert Fraser & Ptns.	11 %		
Grindlays Bank	‡10½%		
■ Guinness Mahon	10½%		
■ Hambros Bank	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%, 1 month 8.00%. Fixed rate 12 months £2,500 9.75% £10,000, 12 months 10.00%.
† 7-day deposits on sums of under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 7¼%.
§ 21-day deposits over £1,000 8¼%.
¶ Demand deposits 7¼%.
‡ Mortgage base rate.

Gilts rise prompts £1bn tap stock issue

By Philip Stephens

THE STRONG performance of the gilts market this week prompted the Bank of England to announce yesterday the sale of a £1bn tap stock, the first big issue since early August.

The 9¾ per cent Exchequer 1998 will be offered for sale by tender on Wednesday at a minimum price of £93.50, to yield 10.67 per cent if held to redemption.

The announcement followed a rise in gilt prices this week of about 2½ points, generated by falling U.S. interest rates and sterling's recovery on foreign exchange markets.

The tender is timed to follow the announcement on Tuesday of money supply figures for October, which many brokers believe could trigger a fall in base lending rates.

The Bank has also carefully arranged the payments schedule for the stock to minimise the impact on the cash-flow position of investors ahead of the flotation around the end of this month of British Telecom.

Buyers of the issue will have to pay only 20 per cent on application on Wednesday. A further call of 40 per cent will be made on December 10 and the remainder will fall due on January 14.

Many brokers interpreted the Bank's confidence in offering such a large stock as a signal that the money supply figures will justify lower interest rates.

Others cautioned that the announcement of similar issues has preceded relatively disappointing figures in the past.

- Britain's official reserves fell by an underlying $32m in October to stand at $15.35bn, the Treasury said yesterday.

The relatively small drop was taken in the City as evidence that the Bank of England intervened only slightly during sterling's sharp fall on foreign exchange markets last month.

FT indices to incorporate BT shares

By Tony Jackson

BRITISH TELECOM is to become a constituent of the FT-SE 100 Index and the FT-Acturies Index as soon as it is privatised.

On the assumption that dealings in BT shares will begin on December 3, the FT-Actuaries Index is to incorporate the BT price from that date, with the FT-SE Index following suit the next day.

In both cases, the fully-paid value of the shares—making for a likely market capitalisation of over £6bn—will be included from the outset for purposes of weighting.

The actuaries index is to create a new group, number 48 entitled Telephone Networks, which will comprise BT and Cable & Wireless.

Hi-tech company wins temporary China licence

By Jason Crisp

THE GOVERNMENT is trying to ward off a threat by Plasma Technology, to export high technology equipment to China without a licence. The company is likely to press its challenge to the Government to prosecute it.

The Trade and Industry Department has offered the company a temporary export licence to show the equipment at a trade fair in Shanghai in December—providing it is brought back to Britain.

Mr David Carr, managing director of Plasma, said yesterday: "The offer is completely worthless and they have deliberately missed the point. Our U.S. competitors are fulfiling orders which we have lost because we don't have an export licence."

The Government yesterday offered to help Plasma get approval for a full licence from Cocom and warned the comany that any breach of export rules could bring prosecution.

Plasma Technology is a small, Avon-based company. It makes specialist equipment used in microchip manufacture and supplies the research departments of many leading European electronics groups. It recently lost a big order to China because it lacked an export licence from Cocom, the Western committee which vets trade with Communist countries.

John Moore explains how Egyptian interests moved into the House of Fraser

One probe too many forces Rowland to end his quest

HAS Lonrho really abandoned its interest in House of Fraser? Has Mr Roland "Tiny" Rowland, Lonrho's chief executive and one of Britain's most obsessive businessmen, who has stalked House of Fraser and Harrods of Knightsbridge for more than seven years, finally given up his campaign to gain control of the stores group?

On the face of it, Mr Rowland, who is 67 this month, indeed appears to have abandoned the struggle. For years he has been rumbling about the number of offers he has received for the crucial and strategically important 29.9 per cent stake Lonrho has built up in Fraser but he always decided not to sell.

Yesterday he changed his mind, or appeared to do so. The straw which Lonrho executives argued yesterday had broken the camel's back was the extension by another three months of the Monopolies and Mergers Commission inquiry into its relations with the stores group, the second in three years.

"We held a board meeting," said Lonrho director, Mr Paul Spicer. "We decided that as we were already the most investigated company in Britain, 'stuff it' and then said that we had better look at these offers."

The buyers of the Lonrho shareholding in Fraser are members of an old Egyptian family. The company making the purchase for 300p per share—valuing the entire Lonrho holding of 46.1m shares at £138.3m—is Alfayed Investment Trust (UK). It is controlled by Mohamed, Salah and Ali Al-Fayed, whose family were shipowners, landowners and industrialists in Egypt for more than 100 years.

The Al-Fayed family has international interests including ship-owning, luxury hotels, construction, oil, oil services, banking and property. Since 1979 the family has owned the Ritz Hotel in Paris.

Professor Roland Smith, the once beleaguered chairman of Fraser, was in jubilent mood yesterday. "It will be the intention to invite Mohamed and Ali Al-Fayed to join the board."

At Lonrho's headquarters in Cheapside in the heart of the City the word was that Lord Duncan-Sandys, chairman of Lonrho, and Mr Rowland, who both have seats on the Fraser board, have no intention of resigning.

Soundings have been taken by the Al-Fayed interests for the last two months in London by their advisers, but formal discussions with Fraser and Lonrho had only taken place since Monday through Al-Fayed's advisers, Kleinwort Benson, one of the UK's leading merchant banks.

Mr Rowland had given the Egyptians until Friday to come up with an offer otherwise the opportunity for purchase would disappear.

It is not the first time that Mr Rowland has done business with the Al-Fayed family. In the late 'seventies the Al-Fayed interests acquired a stake in civil engineering group Richard Costain from Slater Walker. The stake was then sold by Al-Fayed to Lonrho in exchange for shares and a member of the Al-Fayed family moved on the board of Lonrho.

The Al-Fayed family moved their representative off the board, bought back the shareholding amounting to about 20 per cent and sold the stake in Costain to a range of institutions. Prior to the deal the Al-Fayed interests had sold their stake in Lonrho to Gulf Fisheries, the Kuwaiti interests, which apart from Mr Rowland, are the largest shareholder in Lonrho.

Ironically, the Al-Fayed family featured indirectly in the affairs of Lonrho more recently. Mrs Admiana Funaro, the sister-in-law of Mohammed and Ali Al-Fayed, bought shares in her maiden name some time ago in House of Fraser. Her stake of 1m shares has since been sold but at that time it was thought it was being used to support Lonrho in its campaign to acquire Fraser.

Department of Trade inspector, Mr John Griffith, who investigated the build-up of mystery shareholdings in Fraser and whether they were used to support Lonrho in its battle for control, could find no evidence that they were acting in concert.

It also emerged in the inspectors' inquiry that the relationship between the Al-Fayed family and Lonrho during the time the family had had board representation had proved "unhappy."

Now Mr Rowland is severing his shareholding links with Fraser. City analysts were saying that the man had finally grown tired with the battle and had been over-ruled by more prudent directors.

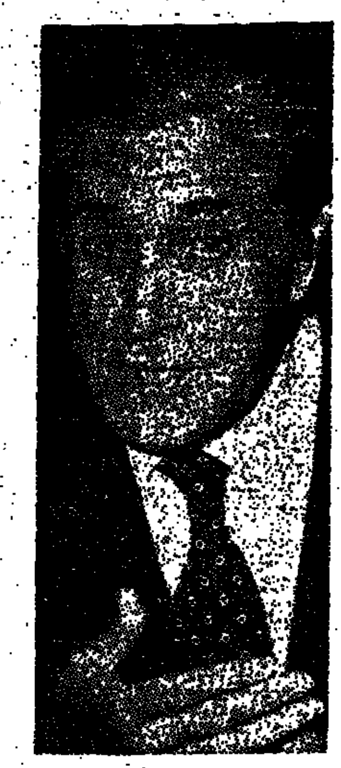
This seems unlikely. Mr Rowland once told Department of Trade inspectors that his board of directors were "like decorations on a Christmas tree." He is Lonrho's largest shareholder with a near 20 per cent holding and runs the company in a highly personal way.

Yet his battle for Fraser, may have seemed to him a long haul. He could muster 42 per cent of the shares, including his 29.9 per cent holding, in his battle for control.

Firm support was only coming from the likes of Mr Jack Hayward, the Bahamas-based businessman, Dr Ashraf Marwan, a son-in-law of President Nasser, and trusts of Sir Hugh Fraser, the deposed chairman of Fraser. Key institutional holders of Fraser shares were supporting the board.

Moreover, at each twist and turn in the campaign Lonrho faced more intervention by the authorities as they probed each detail of the campaign, and further frustration.

So Mr Rowland and Lonrho have finally decided to call it a day.



Mr Rowland: Grew tired of the fight

Lonrho's seven-year battle for control of Fraser

FEBRUARY 1977. Lonrho's chief executive Mr Tiny Rowland approaches Sir Hugh Fraser and acquires a near 25 per cent stake in Scottish and Universal Investments (SUITS), an industrial holding company formed by Sir Hugh's father, from Fraser trusts. Mr Rowland becomes chairman of SUITS. SUITS holds a 10.29 per cent stake in Fraser.

MAY TO SEPTEMBER 1977. Lonrho enters into discussions with Carter Hawley Hale to buy 23.55m shares in Fraser. Lonrho had already bought a small block of shares totallying 60,000 and the purchase from Carter Hawley Hale brought its stake to 19.43 per cent.

NOVEMBER 1977. Mr Rowland becomes non-executive chairman of House of Fraser. Lord Duncan-Sandys, Lonrho's chairman, joins the Fraser board.

1978 and 1979. Lonrho bids for SUITS. The bid is referred to the Monopolies and Mergers Commission but is cleared. Lonrho later acquires SUITS, and with it another large holding in Fraser shares. Its total stake in Fraser was increased to over 29 per cent and currently stands at 29.99 per cent.

AUGUST 1980. Professor Roland Smith is brought into the Fraser group by House of Fraser's merchant banking advisers, S. G. Warburg. Professor Smith becomes a part-time deputy chairman. Mr Rowland is removed as non-executive deputy chairman. Mr Ernest Sharp, a former joint managing director of Grand Metropolitan becomes a part time non-executivel director, also brought in by Warburg.

JANUARY 20 1981. Lonrho fails to block the D. H. Evans sale and l easeback deal. Lonrho launches a personal attack on Sir Hugh Fraser questioning his suitability as chairman.

JANUARY 22. Mr Rowland arranges to meet Sir Hugh privately, effect a reconciliation and splits the Fraser board.

JANUARY 28 1981. Sir Hugh Fraser is removed as chairman. Lonrho makes a bid which values the entirety of Fraser at £226m.

FEBRUARY 1981. The bid is referred to the Monopolies and Mergers Commission.

DECEMBER 1981. Monopolies and Mergers Commission rules that the bid would operate against the public interest. Lonrho gives undertakings that it will not increase its stake beyond the 29.99 per cent level. Tiny Rowland vows to continue the fight.

SEPTEMBER 1982. Lonrho starts its campaign to demerge Harrods.

OCTOBER 1982. House of Fraser seeks to block the use of shares in votes by mystery shareholders in the courts.

APRIL 1983. Fraser board rejects the demerger of Harrods, and calls an extraordinary general meeting.

MAY 1983. Fraser shareholders support the board in rejecting demerger proposals.

AUGUST 1983. The Department of Trade and Industry appoints Mr John Griffiths QC to investigate the shareholdings of House of Fraser following receipt of confidential information from Fraser.

MAY 1984. Lonrho seeks to secure the election of six of its own directors and six outsiders to the Fraser board.

JUNE 1984. Department of Trade and Industry refers the latest move to the Monopolies and Mergers Commission.

JULY 4 1984. Lonrho given permission by DTI to go ahead with plans to double its boardroom representation at House of Fraser.

AUGUST 9 1984. John Griffiths report published—finds no evidence of "concert parties" in House of Fraser deal.

MID-SEPTEMBER 1984. Sears Holdings and Seagrams rumoured to be interested in Lonrho's Fraser stake.

MID-SEPTEMBER 1984. Lawyers in London acting for Al Fayad make representations to Fraser about acceptability of acquisition. Lonrho indicates that Mid-East interests have made approaches about House of Fraser stake.

SEPTEMBER 18 1984. Fraser interim results show 73 per cent pre-etax profits jump.

SEPTEMBER 25 1984. At Fraser AGM, Lonrho fails to secure two board seats, but Tiny Rowland re-elected after a postal ballot.

OCTOBER 29 '184. Kleinwort Benson in talks with Lonrho approach Fraser on behalf of Egyptians.

NOVEMBER 2 1984. Lonrho sells its House of Fraser stake to Al Fayad.

Hoover to invest £10m to boost Merthyr productivity

BY ROBIN REEVES, WELSH CORRESPONDENT

HOOVER is to invest a further £10m over the next two years to improve manufacturing efficiency and productivity at its Merthyr Tydfil washing machine plant in South Wales.

The project, which has been approved by the company's U.S. parent board, will involve substantial investment in robotics and automation equipment and a cut of 500 jobs in washing machine manufacture over the two-year period.

Discussions have opened with trade unions on early retirement and voluntary redundancies at the plant which employs 2,200. Five years ago it employed more than 5,000.

However, large-scale compulsory redundancies may be avoided by diversification into activities other than washing machine manufacture. It has been disclosed that Sir Clive Sinclair's electric vehicle, which will be public next year, is to be assembled by Hoover's Merthyr plant under sub-contract. Workers for this project, which is being kept under a tight security screen, have already been recruited for the pre-production stage.

Hoover said yesterday that the latest washing machine investment and manpower reductions were necessary to keep this side of its operation internationally competitive. Hoover claims to be market leader in UK washing machine sales, with a 25 per cent share of a market of about 1.6m units a year.

Competition remains intense, from Hoover's main UK rival, Hotpoint, and from imported washing machines, notably from Italy.

Matsushita hints at growth

BY OUR WELSH CORRESPONDENT

MATSUSHITA ELECTRIC, the Japanese industrial group, is contemplating further expansion in the UK, Mr Toshihiko Yamashita, the group's president said in Cardiff yesterday.

"Our experience in the UK is a good one and it is encouraging us to think of further expansion," he said on the tenth anniversary of the opening of the company's Panasonic TV plant in Wales, attended by the Duke of Edinburgh.

He said the steady growth in the group's manufacturing operations at Cardiff had been achieved through the dedication of its Welsh workers. They had produced high quality, reliable products and were striving hard to improve productivity.

The Cardiff plant began by producing around 100,000 colour TVs a year. It is now producing 225,000 a year plus other products, with a workforce of 600.

- Mr A Imura, managing director of National Panasonic, says in the latest editon of The Director, the magazine of the Institute of Directors: "The prospective picture is a bright one, especially in information-related products such as broadcasting and satellites. I mean especially the software side of this, where the UK is probably second only to the U.S."

Acrow branch network sold for £3.7m

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE BRANCH network of Acrow Engineering's non-mechanical plant hire and retail business has been sold to HAT, the Bristol-based services group in another move to sell off piecemeal the separate parts of the Acrow empire which went into receivership two months ago.

HAT has paid initially £3.7m for 23 of the 29 branches in the company, which hires and sells a range of products including system scaffolding and trench sheeting. It is taking responsibility for the 380 employees in this sector, but has not purchased Acrow Engineering's manufacturing and galvanising facilities.

The purchase of Adamson Containers, another Acrow company, is expected to be announced shortly and there have been indications that Steels Engineering in Sunderland might also be sold.

Thos Storey, the Stockport bridge builder, has already been bought by a consortium of its managers and Coles Cranes has been purchased by the U.S. company, Grove Manufacturing, for a sum believed to be about £14m.

The Director General of Fair Trading submitted his recommendation yesterday to the Department of Trade and Industry on whether the purchase by Grove should be referred to the Monopolies and Mergers Commission.

A decision on that recommendation, expected early next week, is being awaited by a group of former Coles directors and senior managers who had signed a put option for the Coles business in a package worth £11m for the purchase and £5.5m in working capital.

They believed they had virtually secured a deal before a last-minute offer from the U.S. company, which says it intends to maintain manufacturing at Coles' Sunderland site.

UK NEWS

Changes in VAT system bring delays at Dover

By Andrew Taylor

ADDITIONAL DELAYS of several hours in clearing imports through the port of Dover were reported early yesterday by the Freight Transport Association. The association has been monitoring the introduction of new rules for the collection of value added tax on imports.

It said some agents Dover had claimed that some cargoes had been taking up to 10 hours to clear, instead of the usual three to four hours, because of VAT-related problems. The association also reported slight delays at Hull.

By midday, however, delays directly attributable to the new rules appeared to have been resolved, the association said.

Under the new rules, importers must either pay VAT immediately goods enter the country, or, provided satisfactory bank guarantees can be arranged, by the fifteenth day of the month after importation. Previously, VAT could be accounted for as much as 11 weeks after importation.

So far, the new regulations introduced at mid-night on Wednesday have caused no big problems.

However, the association said problems might arise next week when trade is expected to pick up after Thursday's continental public holiday.

Agents, though pleased by the ease of the transition to the new system are worried that some bank guarantees used to gain deferrments are insuficinet to cover expected trade volumes and will run out before November ends. Customs will then expect VAT payments in cash or by bankers draft before cargoes are cleared.

Bidding for Cornish ship repairer closes

Financial Times Reporter

BIDDING for the purchase by private interests of Falmouth Shiprepair closed yesterday. British Shipbuilders, the state entity selling this part of its operations, expects to name the new owner this month.

The seven contenders are: The Port of Falmouth; Falmouth Container Terminal with the consultancy A. and P. Appledore; Seaforth Welding, of Liverpool; Cenargo of London; Christopher Bailey, the South Wales ship repairer; Tyne Shiprepair; and Gomba Holdings, of London.

Japanese company to take over N. Ireland factory

BY OUR BELFAST CORRESPONDENT

NORTHERN IRELAND has secured its first Japanese manufacturing investment after a long battle to convince Far Eastern companies that their perception of the province as a war-torn country is mistaken.

The Industrial Development Board announced yesterday that Iwax Inc, a rapidly growing and diversified Japanese manufacturer, is to establish a European operation in the province to make disposable cigarette lighters.

Iwax, which was started in 1967, also produces electronic facsimile machines on air filter systems. It employs 1,500 in factories near Tokyo and in the Philippines.

It will take over a Government advance factory at Ballymoney, Co Antrim, initially employing 66 people and 120 within three years.

Mr Fukuo Iwahori, the company president, said in Belfast that the plant would turn out 2m lighters a month for the European market. Sales in Europe, particularly in West Germany, were rising quickly, he said.

The company will later investigate the possibility of adding further products. Mr Iwahori said he was impressed with the assistance which Northern Ireland universities could give towards research and development projects.

Mr Saxon Tate, IDB chief executive, said the agreement had taken a year to secure. It was a breakthrough which could lead to more Japanese companies locating in Northern Ireland.

Iwax spent two years looking for a European site. It examined the Irish Republic, which has managed to make agreements with a significant number of Japanese companies in recent years to establish plant.

Mr Iwahori said his company was attracted by the productivity record of Northern Ireland workers and by the package of grants offered by the IDB. No figures were given for the amount of the company's investment or the amount of government aid. But the IDB stressed that Iwax had been given no special favours.

Private schools survival 'at risk'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INDEPENDENT SCHOOLS were warned yesterday that despite their present buoyancy they must improve their management if they are to survive the next decade.

Average annual fee increases of 15.5 per cent over the past five years—compared with an average 9 per cent inflation rate—are threatening prospects at a time of continuing decline in the UK school-aged population, says a report from the Deloitte Haskins and Sells management consultancy.

If the independent sector is to avoid decline it must not simply maintain but increase its share of the school population from 6.2 per cent to 7 per cent by 1993.

Areas foreseen as growth markets have proved disappointing. In sixth-form studies, independents had been expected to attract pupils at state schools' expense. The trend, however, seems to be the other way round.

The enrolment of girls in independent schools which used to be exclusively for boys is not showing the sustained growth predicted. Intakes from overeas may be buoyed up only by the present weakness of sterling. The Government's Assisted Places Scheme, offering fee subsidies to academically able children from poorer homes, may also fail to match expectations.

To safeguard their future the independents must improve their long-term planning and marketing. The report recommends:

- Educational standards be constantly upgraded and reviewed.
- Operating costs should be kept under continuous executive control based on clear identification of management responsibility.
- Parents of prospective pupils should be counselled on ways of keeping down the financial burden of independent schooling.
- Market research should be carried out, at least, by record differences between prospective customers who send their children to the school and those who decide against it.
- Greater public relations, which call for increased co-operation with state schools to gain wider acceptance of the "important social contribution" made by independents.

Update of trends in independent secior education, and maintained secior school fund raising. Free from Deloitte Haskins and Sells, 128, Queen Victoria Street, London EC4P 4JX. Tel. 01-248 3913 extension 410.

Owen criticises Bank policy on JMB

BY PETER RIDDELL, POLITICAL EDITOR

THE Bank of England has been strongly criticised by Dr David Owen, Social Democratic Party leader, for its failure sufficiently to regulate the bullion and commodities markets in the lead-up to last month's rescue of Johnson Matthey Bankers.

In a further instalment of an exchange of letters on the subject with Mr Nigel Lawson, the Chancellor, Dr Owen notes that the Bank claimed that, "it knew for more than a year that JMB was getting into difficulties; but, if so, why did it not examine the JMB balance-sheet long before the actual collapse?"

Instead, he argues, "the Bank is currently attempting to conceal its mistakes and convince an increasingly sceptical City audience that public money will not be used and lost in a futile effort to turn round a failed company and its subsidiaries."

In his letter, Dr Owen says Mr Lawson has clearly decided to distance himself and, by implication, the Government from the Bank's rescue of JMB.

He raises questions about the nature of the indemnities given as part of the rescue and over the future profitability of the operations.

Glasgow's garden festival

FINANCIAL TIMES REPORTER

THE THIRD national garden festival will beheld in Glasgow in 1988, it was announced yesterday. Further festivals will be held in Gateshead in 1990 and in Wales in 1992, at a site still to be decided.

Plans are already well under way for the second festival to be held in Stoke-on-Trent in 1986 on land formerly part of the Shelton steelworks. The festival orginated in Liverpool where it attracted nearly 3.4m visitors earlier this year on a reclaimed derelict site fronting the River Mersey.

Commenting on the choice of sites, Mr Kenneth Baker, Minister for Local Government, said the Gateshead festival would be a great psychological boost for Tyneside.

"An old industrial site will be reclaimed and turned into a beautiful garden which will attract 2½m visitors," he said. "The festival will give a powerful impetus to the economy of Tyneside and the whole of the North-east."

He expects that the festival in Glasgow, in 1988, on a now derelict site "wil produce a great boost for the city and will draw to the nation's attention the improvements that have taken place over the past few years."

Swansea is one of three sites in Wales under consideration for the festival in 1992.

The idea of garden festivals originated in Germany where they were established to repair bomb damage in cities devastated during the Second World War. The UK Government has decided that the two-year cycle for festivals, established in West Germany, should also apply in this country.

ECONOMIC DIARY

TOMORROW: General elections in Nicaragua. Assembly elections in Cyprus. Mr Malcolm Rifkind, Foreign Office Minister, to visit Poland.

MONDAY: Producer price index numbers (October—provisional). Credit Business (September). Retail sales (September — finals). NUM delegates conference. Austin Rover pay strike expected to start. CBI hold annual conference (until November 6). Ford pay talks. ABTA annual conference in Toronto. Israel and Lebanon begin talks on the withdrawal of Israeli forces in Lebanon.

TUESDAY: EEC Research and Development Councils meet in Brussels. Provisional estimates of monetary aggregates (mid-October). London clearing banks' monthly statement (mid-October). Seamen's pay talks. U.S. Presidential elections. State opening of Parliament. European disarmament conference resumes in Stockholm.

WEDNESDAY: U.S. third-quarter balance of payments. Mr Leon Brittan, Home Secretary, to address Association of County Councils annual conference in York. Leeds Permanent Building Society annual results. Space shuttle Discovery takes two satellites into space.

THURSDAY: Provisional figures of vehicle production (October). FT holds conference on "The second professional personal computer" at Royal Lancaster Hotel, W2. Consolidated Gold Fields annual meeting. EEC Transport Council meeting in Brussels.

FRIDAY: Building Societies Association monthly meeting. Institute for Fiscal Studies holds conference on "Competition policy" at Regent Palace Hotel, W1. European Space Agency's Ariane rocket launch.

Jason Crisp on the 'relaunch' of the Macintosh computer

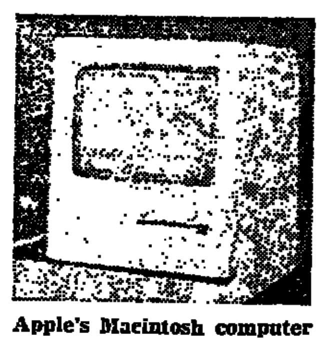
Apple aims for a bigger bite of the market

THE GLOVES are off in the fight for the personal computer market. A series of television advertisements for Apple's Macintosh computer started last night showing a frustrated executive smashing up what looks remarkably like an International Business Machines Personal Computer.

The advertisements are part of an international campaign to persuade managers to "Test drive" the Macintosh which is exceptionally easy to use. The campaign is also being run in the U.S., Canada and Australia. In Britain the £3m campaign effectively relaunches the Macintosh which first appeared in June and has not sold well.

Dozens of companies are competing fiercely for the fast-growing business personal computer market in the UK, which will be worth £541m this year, according to consultants IDC-Europa. The Macintosh, priced at £1,795 *before value-added-tax, fits into* the largest and fastest growing section of the market which is dominated by IBM, the U.S. computer giant, and Britain's Applied Computer Techniques.

The leading companies have embarked on large press and TV advertising campaigns — worth well over £10m — and have stepped up incentives to dealers. ACT is spending about £2m on promoting its new Apricot computers including the portable version which you can talk to. IBM has also launched a big press campaign for the last three months of the year.



Apple's Macintosh computer

These British campaigns are small compared with the U.S. Apple is expected to spend $100m (£80.6m) on advertising in 1984 and even more next year, while IBM is thought to have spent even more on its PC. In the U.S., dealer incentives from Apple include a *white Porche* for the best salesman, whereas in the UK the top prize is a Ford XR4i.

The Macintosh is a key product for Apple in its struggle to reaffirm its position as one of the world's two leading personal computer companies with IBM. In the U.S. the Macintosh has gained about 9 per cent of the market and the price has recently been cut by $300. This compares with 22 per cent for the IBM Personal Computer and 16 per cent for the Apple II range, according to InfoCorp, a Californian consultancy.

Although the Apple II has sold well in Europe, particularly in France, the Macintosh has made only a limited impact. This has been partly due to a shortage of supplies but also because of weak marketing and a lack of software.

Apple UK needs to succeed with the Macintosh as Britain is one of the strongest markets for personal computers outside the U.S. Sales of Apple II products have been weak and new products like Apple III and Lisa have flopped here as they have in other countries.

Last year ACT had 36 per cent of the UK market and IBM 33 per cent, measured by units, according to IDC-Europa. The third most popular computer in this class was sold by DEC, which had 5 per cent of the market.

The management of Apple *UK has been changed several* times. The latest taem is headed by Mr David Hancock, recruited from Gillette. He is backing a much more aggressive marketing approach.

One result has been a big shakeup of Apple's dealer network. By next March up to 150 of Apple's 380 dealers are expected to have gone and will be replaced by about 70 new ones.

Contracts for all dealers are being changed and conditions are tougher, stipulating training and support levels and include minimum sales requirements. "We're very concerned the user gets a good deal," says Mr Stuart Bagshaw, the sales director.

Critics say Apple took on too many dealers in the past as the emphasis was to shift as many computers as possible with little concern for proper product support. Mr Alan Wood, managing director of Digitus, a leading computer systems house, says: "Apple is now trying to clear up the mess earlier policies created. The old dump and run policy has rebounded on them and good dealers deserted them."

As part of the shake-up dealers are required to take part in the "test drive a Macintosh" campaign. Likely customers will be allowed to take home a Macintosh for a day to test it. Apple is banking on the fact the Macintosh is exceptionally easy to use. It is also at a price which means it can be accommodate by many departmental budgets without requiring higher approval.

Mr Simon Pearce, managing consultant at Romtec, a specialist market research company, thought the test drive campaign was being welcomed by dealers. "It's a brilliant product but the marketing has not been right. That is beginning to improve. Many companies thought the Macintosh was a toy but this should change when they try it."

LABOUR

Support in doubt for BL strike on Monday

By Arthur Smith, Midlands Correspondent

CONFIDENCE WAS rising last night at Austin Rover, BL's volume car subsidiary, that it might ride out the strike threatened by the 28,000 manual workers from Monday.

Union leaders, confronted with a divided labour force and confusion about the exact strength of voting in mass meetings at the 11 plants, called in management for more negotiations yesterday.

Talks were continuing last night, but the company must feel it now has the initiative. BL, even when confronted with official union opposition, has in the past simply opened the factory gates and urged the workers to vote with their feet.

The use of such a tactic on Monday morning, with eight plants having voted not to strike, could see many workers reporting for work regardless of the strike call. Union leaders recommended a strike in protest at the company's offer of a two-year deal that would give a 10.2 per cent increase, against the negotiators demand for an immediate 20 per cent rise.

Union hopes of ignoring reported shopfloor revolts against the strike were dented when the Cowley assembly night shift at Oxford voted decisively to accept the deal.

Only two plants now support the strike—Cowley, with 4,300 workers, and the Longbridge, Birmingham, complex with 11,000 workers. Austin Rover, which has been pressing for a secret ballot by the trade unions, insists the negotiators have no mandate for a strike.

Minority to negotiate in DHSS strike

By David Brindle, Labour Staff

THE MINORITY unions involved in th social security computer strike will negotiate final back-to-work terms in spite of opposition from the bigger union concerned.

The branch executive committee of the Society of Civil and Public Servants at the strike-hit Newcastle upon Tyne computer centre decided yesterday to continue negotiations with the management on behalf of its 50 strikers.

The Civil Service Union, which has about 10 members involved in the dispute over shift payments at Newcastle, is also expected to finalise terms for a return to work.

Both unions have opted to press on towards a settlement after their members accepted a framework formula put forward by the Department of Health and Social Security. Strikers belonging to the Civil and Public Services Association rejected the formula by a vote of 227 to 23.

However, talks on final terms are likely to take at least a week and it will be at least a fortnight before either the CSU or the SCPS authorises a return to work.

Branch officers of the SCPS were yesterday anxious to stress that the great majority of their striking members did not want to go back without the CPSA.

Some CPSA leaders agree with the SCPS that the formula offered 75 per cent of what the strikers wanted and that the left-led CPSA branch wants nothing short of preservation *of the status quo*

There seems little immediate prospect that the dispute will be escalated. Although the CPSA's national executive has agreed to call selective strikes at local social security and unemployment benefit offices, few offices have volunteered to take action.

It therefore looks likely that the dispute will continue to disrupt pension and child benefit payments, while the minority unions may have to consider ending action if the CPSA fails to moderate its position

A return to work by SCPS members could deal a blow to the union's prospects of a merger with the CPSA.

Acas to meet both sides in council dispute

By Our Labour Staff

THE conciliation service, Acas, is expected to hold separate talks on Monday with Sheffield City Council and leaders of the authority's striking white-collar workers.

The national emergency committee of the National and Local Government Officers' Association agreed yesterday to meet Acas to discuss the issues behind the six-week-old strike *over a technology agreement.*

However, the committee also decided to authorise strike action by a further 100 employees of the Labour-controlled council. It called out 50 key workers in the data preparation department and 25 in the employment department, together with four who have been suspended by the Social Services Department and 18 of their colleagues.

This brings to more than 750 the number of Nalgo members at Sheffield who will be on strike from next week.

Normal service by Thames TV from Monday after dispute ends

BY DAVID GOODHART, LABOUR STAFF

TECHNICIANS at Thames TV will start returning to work today and normal programmes will be resumed on Monday. A back-to-work formula was accepted yesterday by all three Actt branches at the company.

The outcome of the 2½-week dispute, involving more than 1,000 Actt members, represents a limited victory for the company. More significant for Thames and the other ITV companies was the successful transmission of a service without the union for two weeks.

That could represent a serious weakening of the Actt's industrial muscle—especially if other companies follow Thames' example. It also makes industrial action—over a rejected offer of an 8 per cent national pay rise this year — far less likely.

Mr Roy Lockett, the Actt deputy general secretary, said yesterday that the union would have considered spreading the dispute to the whole network if there had been no agreement this week. But its decision not to extend it, when the management's service began, was taken by many as a sign of its inability to do so.

Theunion has conceded two important points in the deal at Thames. First, all discussions with groups which have not yet accepted the new portable single camera will be covered by one negotiating unit. Second disagreement will be referred to the industry's new technology tribunal — a point previously rejected by the union.

However, the union can claim that it now has a definite timetable for the payment of the second stage of a 20 per cent pay rise to film editors at Thames—the issue that triggered the strike. It will be paid after 2½ years, at the latest.

It also resisted an attempt by the company to settle a separate dispute in the central technical facilities department. This will now go back to the Arbitration, Conciliation and Advisory Service (Acas) in two weeks. Mr Lockett said the important thing was that new technology would now be properly negotiated at local level, with an independent Acas perscence at the new technology tribunal.

How broadcasts were kept going

Raymond Snoddy reports on the Thames managers' work during the stoppage

"THEY'VE BEEN holding the Sword of Damocles over our heads for years with the threat of the blank screen. They'll have to think twice before they use that threat again," said the senior manager of Thames Television.

As he spoke he pressed buttons in the master control room that he had not touched for 15 years. He was helping to put out the emergency service that kept Thames on the air while most of its technical staff were on strike.

As news spread on Thursday evening that the strike was nearly over thre was an air of quiet jubilation in master control. The cartoonists vision of managers putting out the picture upside down had not happened.

Although the managers temporarily mislaid a Heinz soup advertisement on Thursday evening, and were therefore unable to broadcast it in prime time, the programmes went out.

There were fewer mistakes than normal, said a member of one of the unions not on strike.

There were also less than half the usual number on duty—although the task was simplified by not having to feed or take programmes from the network.

The emergency programmes using in-house material—repeats of Minder films, and even the odd documentary—were watched in 45 per cent of all homes in the London area during the week. This is exactly the same proportion as the same period last year—and advertising held up.

The biggest casualty of the strike was news. In the place of polished ITN productions were headline summaries usually broadcast from a small presentation studio.

First there was Mr Donald Cullimore, director of public relations who last appeared before the camera 16 years ago when he was an ITN political reporter. He was later joined by Mr Ronald Allison, head of sport and outside broadcasting.

"We were both sad at the circumstances that caused us to do it," said Mr Allison before agreeing that he had enjoyed the challenge enormously.

"With no autocue or floor managers it was back to my early broadcasting days in BBC Southampton in the 1950s," he added.

The attitudes of managers did however change during the course of the dispute. Initial euphoria at being able to do the job with both ease and fewer people gradually changed to a realisation of how dull it is.

"It's a very routine job, very much like a production line job in a car factory," said the non-technical manager who was operating the computer-controlled machine which inserts the commercial breaks.

"I can see how people get bored and frustrated. Maybe we should be looking more for line operators than engineers to do it in future," said the man who mastered the job in half a day.

The job is staffed usually by a senior grade engineer grossing about £20,000 a year. Managers say the unions insist on six months training to operate the machine.

The main problem now is how to catch up on all the last episodes of soap operas such as Crossroads and Coronation Street.

"You can't show a Christmas episode of Crossroads in January," said Mr Tim Riordan, controller of programme planning and presentation, whose job it is to sort out the problems caused by the strike.

There will probably be at least four episodes of Crossroads a week for the next few weeks.

However once the soap opera plots have been successfully untangled the day the managers took over at Thames is likely to have a lasting impact on industrial relations. ITV companies such as Central and Television South will also have been watching the picture at Thames with keen interest.

Veto of NGA newsroom jobs backed

BY DAVID BRINDLE, LABOUR STAFF

MEMBERS of the National Union of Journalists at the Portsmouth News have accepted their union's veto of an agreement which would have allowed printers into editorial jobs.

After it had been addressed by Mr Jacob Ecclestone, the NUJ's deputy general secretary, the Portsmouth chapel (office branch) voted unanimously to withdraw its endorsement of the agreement.

The chapel called on the NUJ national executive to seek urgent talks with the newspaper's management on problems arising from the agreement, particularly the question of print union representation in editorial areas. It resolved "to await the outcome of these discussions."

The agreement, plus a second one negotiated with the National Graphical Association, would have allowed three NGA members to transfer to subediting jobs as part of stage two of the move towards computerised production of the newspaper.

The NUJ's national executive saw the move as a dangerous precedent. It refused to endorse the agreement and decided to try to get the Portsmouth chapel to renounce it. The chapel's latest decision goes most of the way towards doing so.

Mr Ecclestone said yesterday: "There is no way that the NUJ is going to accept any agreement which explicitly of implicitly recognises the NGA's right to organise on the editorial floor. I regret that the NGA seems to be pursuing this hostile line towards the NUJ."

The NUJ hopes for talks with the Portsmouth management before the November 12 deadline for implementation of the agreement. If stalemate were to persist, however, the management might go ahead regardless of the union's dissent.

Leaders of the NUJ are aware of this possibility, but believe the priority is not to have a formal agreement which could be copied by other provincial newspaper managements.

- An opening offer of a 3 per cent pay rise was made yesterday to union leaders representing 30,000 printworkers on national newspapers. The unions rejected the offer and the talks will resume on November 13.

Hauliers seek ban on alleged blacking

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE HAULAGE companies whose legal action led to a £50,000 fine on the South Wales miners' union for contempt of court, yesterday asked the High Court to make order against the Transport and General Workers Union.

Richard Read (Transport) and George M. Read alleged that TGWU members were "blacking" the companies' lorries at Cardiff Docks in support of the miners.

They asked Mr Justice Vinelott for injunctions restraining the TGWU, Mr Moss Evans, its general secretary, and two union shop stewards at the docks from unlawfully interfering with their haulage contracts and businesses.

Mr Robert Francis, for the Reads, said weighbridgemen at the docks had refused to handle the lorries because the two companies were on a blacklist.

They had made it clear that if the lorries, delivering scrap metal to two companies in the docks, were unloaded, the docks would be brought to a standstill.

Mr Francis said that Mr George Wright, a TGWU regional officer, had said nothing would be done to lift the blacking unless the Reads "withdrew the fine imposed on the NUM."

Counsel said that the stance of the TGWU, which was not represented at yesterday's hearing, was that action against the two companies was being taken by individuals incensed by Reads' conduct in pursuing the NUM, and was nothing to do with the TGWU.

He read extracts from a statement the union had sent to the court. This said that if any members were refusing to unload Read lorries, "their own individual consciences were guiding them."

The union's statement suggested that the plaintiffs were seeking a way of dealing with the union as they had dealt with the NUM. An injunction would not solve the problem; it would only harden attitudes, the union said.

Mr Francis said Reads feared not only that they would lose business, but that they would be at a disadvantage in the highly competitive haulage market if it became known that they were blacked by the TGWU and nothing was being done about it.

The hearing continues on Monday.

NCB loan scheme's first payout

BY MAURICE SAMUELSON

THE National Coal Board yesterday named the first recipient of a low interest loan under a £5m scheme designed to create jobs in declining mining areas.

He is Mr Michael Ralton, 34, a former colliery mechanical engineer, who runs a transport business in Fife.

Mr Ralton, who took voluntary redundancy in May from Solsgirth Mine in Fife, set up a parcels delivery service by combining his redundancy pay other savings to purchase two commercial vehicles.

In September, the Scottish Development Agency offered him a lease on factory space, which could enable him to create seven new jobs over the next two years.

His loan — believed to be under £10,000 — is the first allocated by NCB (Enterprise), the board's new job creation subsidiary.

Mr Merrik Spanton, chairman of NCB (Enterprise), said a second loan had been authorised and a further 125 applications are being studied.

NCB (Enterprise) was created last month following complaints by politicians that the coal industry lacked an equivalent to BSC (Industries), formed a decade ago to stimulate investment in areas hit by contraction of the steel industry.

Mr Spanton, who is also the NCB's board member for personnel, said there was "very close contact" between the two industries and BSC (Industries) had offered to train personnel at its NCB counterpart.

Once the first £5m had been lent, more money was likely to be authorised by the Government and lack of money should not inhibit NCB (Enterprise) from operating on a large scale, he said.

Loans are not restricted to former NCB employees and the NCB hoped to hear from new business or existing companies wishing to move into mining areas.

In addition to direct loans, the NCB was also prepared to help such companies by providing premises or support through equity financing.

Schroders

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Application has been made to the Council of The Stock Exchange for each class of the Participating Shares of the Company available for issue to be admitted to the Official List.

Copies of this document and of the material contracts and the consent of Coopers & Lybrand referred to respectively in paragraphs 10 and 11(m) of "General information" have been delivered for registration to the Registrar of Companies in England and Wales.

On 24th October, 1984 the Company had no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities.

SCHRODER PORTFOLIO SELECTION FUND LIMITED

(THE "COMPANY")

A company incorporated with limited liability in the Cayman Islands and registered on 22nd October 1984 under the provisions of the Companies Law (Cap.22) of the Cayman Islands as amended and having an authorised share capital of US$1,000,000

MANAGED BY

SCHRODER UNIT TRUST MANAGERS INTERNATIONAL LIMITED

(THE "MANAGERS")

INITIAL OFFER FOR SUBSCRIPTION

of up to 20,000,000 Participating Redeemable Preference Shares of US 1 cent each ("Participating Shares") of the following classes and at the following prices payable in full on application

Management and administration

Directors

Gordon Home Popham (Chairman)
120 Cheapside,
London EC2V 6DS, England
Gordon Popham is a Director of Schroders plc and a number of other companies within the Schroder Group. He is Chairman of Schroder Unit Trust Managers International Limited, the Managers to the Company, and is Chairman of Schroder Financial Management Limited, its immediate holding company. He is also Group Managing Director of Investment Management and Personal Financial Services worldwide within the Schroder Group.

Ian Godfrey Sampson
Regal House,
14 James Street,
London WC2E 8BT, England
Ian Sampson has been Managing Director of Schroder Unit Trust Managers Limited, (a United Kingdom company) since its formation in 1980 and is a Director of Schroder Unit Trust Managers International Limited. He has been involved in managing unit trusts for over 20 years and is a member of the Executive Committee of the Unit Trust Association in the United Kingdom.

Robert William Taylor
Regal House,
14 James Street,
London WC2E 8BT, England
Robert Taylor is Managing Director of Schroder Financial Management Limited and is a Director of Schroder Unit Trust Managers International Limited. He is also Managing Director of Schroder Life Assurance Limited and has been active in the life assurance industry for over 25 years.

William le Roy Ogier
Schroder House,
The Grange,
St. Peter Port,
Guernsey, Channel Islands
William Ogier is Managing Director of Schroder Unit Trust Managers International Limited.

Charles John Burley
Cedar Hill,
Mount Durand,
St. Peter Port,
Guernsey, Channel Islands
John Burley is a Director of Schroder Unit Trust Managers International Limited.

Mrs. Katherine Dorey Thompson
Langley House,
Rohais de Haut,
Castel,
Guernsey, Channel Islands
Katherine Thompson is a Director of Schroder Unit Trust Managers International Limited.

Nicholas Reginald Hubert James Wheadon
Waterloo House,
High Street,
St. Peter Port,
Guernsey, Channel Islands
Nicholas Wheadon is a Director of Schroder Unit Trust Managers International Limited and is Chairman of Bucktrout and Company Limited, a diversified company predominantly operating within the leisure industry. Nicholas Wheadon is an elected member of the States of Guernsey.

Managers, Secretaries and Registrars
Schroder Unit Trust Managers
International Limited,
P.O. Box 273,
Schroder House,
The Grange,
St. Peter Port,
Guernsey, Channel Islands
Tel: Guernsey (0481) 28750
Telex: 4191452

Registered Office
P.O. Box 1040,
West Wind Building,
George Town,
Grand Cayman,
Cayman Islands

Custodian
Barclaytrust International Limited,
Valley House,
Hirzel Street,
St. Peter Port,
Guernsey, Channel Islands

Investment Adviser
J. Henry Schroder Wagg & Co. Limited,
120 Cheapside,
London, EC2V 6DS, England

Legal Advisers to the Company
In the Cayman Islands:
W. S. Walker & Company
P.O. Box 265,
Swiss Bank Building,
George Town,
Grand Cayman,
Cayman Islands

In Guernsey:
Carey, Langlois & Co.,
7 New Street,
St. Peter Port,
Guernsey, Channel Islands

In London:
Bischoff & Co.,
City Wall House,
79-83 Chiswell Street,
London, EC1Y 4TJ, England

Auditors
Coopers & Lybrand
(Chartered Accountants),
Abacus Chambers,
Smith Street,
St. Peter Port,
Guernsey, Channel Islands

Stockbroker
Cazenove & Co.,
12 Tokenhouse Yard,
London, EC2R 7AN, England

	Classes of Participating Shares	*Initial price per Participating Share including the premium and, where applicable, the initial charge*
Equity Funds	American Fund	$1
	American Smaller Companies Fund	$1
	Australian Fund	£1
	British Fund	£1
	European Fund	£1
	Gold Fund	£1
	Hong Kong Fund	£1
	International Fund	£1
	Japanese Fund	£1
	Japanese Smaller Companies Fund	£1
	Singapore and Malaysian Fund	£1
Fixed Interest Funds	Dollar Fixed Interest Fund	$1
	Sterling Fixed Interest Fund	£1
Currency Funds	Deutschemark Currency Fund	DM5
	Dollar Currency Fund	$1
	Sterling Currency Fund	£1
	Yen Currency Fund	Yen200
	Managed Currency Fund	£1

In this document, dollars, $, and cents are all United States dollars and cents; sterling, pounds and £ are United Kingdom pounds sterling; deutschemarks and DM are deutschemarks of the Federal Republic of Germany; and yen are Japanese yen.

Principal features

The information set out below is a summary of the principal features of the Company and should be read in conjunction with the full text of this document.

Structure
Schroder Portfolio Selection Fund Limited is an open-ended investment company incorporated in the Cayman Islands and managed and resident in Guernsey. It has the power to issue and redeem its Participating Shares at prices based on their underlying net asset value.

Classes of Participating Shares
Participating Shares are available in the following classes:

	Classes of Participating Shares	*Initial price per Participating Share including the premium and, where applicable, initial charge.*
Equity Funds	American Fund	$1
	American Smaller Companies Fund	$1
	Australian Fund	£1
	British Fund	£1
	European Fund	£1
	Gold Fund	£1
	Hong Kong Fund	£1
	International Fund	£1
	Japanese Fund	£1
	Japanese Smaller Companies Fund	£1
	Singapore and Malaysian Fund	£1
Fixed Interest Funds	Dollar Fixed Interest Fund	$1
	Sterling Fixed Interest Fund	£1
Currency Funds	Deutschemark Currency Fund	DM5
	Dollar Currency Fund	$1
	Sterling Currency Fund	£1
	Yen Currency Fund	Yen200
	Managed Currency Fund	£1

A separate investment fund ("Investment Fund") is maintained for each class of Participating Shares. Each Currency Fund is designated in its respective currency except the Managed Currency Fund which is designated in sterling. Each of the remaining classes of Participating Shares is designated in dollars or in sterling.

Under the Articles of Association the Directors of the Company have the power to create further classes of Participating Shares of such designation and designated in such currencies as they shall determine.

Dividend policy
It is intended that all income, net of expenses, will be distributed to shareholders. Accordingly, it is expected that the Company will have distributor status under the United Kingdom Finance Act 1984. Shareholders may elect to have their dividends automatically reinvested in further Participating Shares of the same class.

Issue and redemption of Participating Shares
Participating Shares may be issued and redeemed on any Subscription Day. A Subscription Day is normally any weekday which is a business day in Guernsey. The minimum initial subscription per class of Participating Shares is $2,000 or its equivalent in other currencies although subsequent applications by existing holders for Participating Shares in the same class may be made for a minimum of $1,000 or its equivalent in other currencies.

Conversion of Participating Shares
Shareholders may convert their Participating Shares from one class of Participating Shares to another. The Directors have been advised that this will not constitute a disposal of Participating Shares for the purposes of United Kingdom capital gains taxation.

Valuations
The bid and offer prices of each of the classes of Participating Shares will, as soon as space is available, be published in the Offshore and Overseas Funds section of the London Financial Times. The published offer price includes, where applicable, the Managers' initial charge.

Fees and charges
Details of all charges, including the Managers' and Custodian's annual fees are given overleaf.

Details of the Company

The Company
The Company was incorporated with limited liability in the Cayman Islands and registered on 22nd October, 1984 under the provisions of the Companies Law (Cap.22) of the Cayman Islands as amended. It is open-ended in the sense that it has the power to issue and redeem its Participating Shares at prices based on their underlying net asset value.

The share capital of the Company is as follows:

Authorised	*Issued (prior to current offer for subscription)*
$1,000,000 divided into 100 Founders Shares of $1 each and 99,990,000 Unclassified Shares of 1 cent each	$100 (100 Founders Shares of $1 each fully paid)

Allotment of Participating Shares
The initial subscription lists will open at 10.00 a.m. in Guernsey on 26th November, 1984 and will close at any time thereafter on the same date. The Directors reserve the right to issue as part of this initial offer all of the authorised but unissued shares of the Company.

After the initial offer, application for each class of Participating Shares may normally be made on any weekday which is a business day in Guernsey.

Application may be made either by telex (Telex No. 4191452) or on the Application Form set out overleaf. Payment should be made in the currencies shown opposite each class of Participating Shares under "Principal features". If applicants wish to apply in any other currencies, see paragraph headed "Foreign exchange transactions". In order to comply with Japanese Ministry of Finance requirements the subscription and redemption monies of the Yen Currency Fund cannot be paid in yen but should be paid in any of the other currencies listed under "Principal features". The investments held in the Yen Currency Fund will, however, at all times be maintained in yen.

Full details of the application and payment procedures are set out overleaf. Participating Shares will be issued in registered form.

Investment objectives
The objective of the Company is to provide a vehicle through which shareholders can invest their capital in most of the world's major stock markets and certain major currencies through holdings in one or more classes of Participating Shares and switch their investments as conditions vary. Investment by the Company may be made, when appropriate, in other Schroder investment vehicles.

It is the intention of the Directors to maintain the stated overall aim of the Company for a period of not less than three years from the date of incorporation of the Company, although the means of achieving this may vary in the light of prevailing market conditions. The Company may, from time to time, hold cash rather than investments in respect of all or any class of Participating Shares when, in the opinion of the Directors, such a policy would be in the best interests of shareholders.

It will be the policy of the Company normally to maintain a reasonable spread of investments within the Company. To that end any new individual investment made by the Company, when aggregated with any existing holding of the same investment, will normally be limited to not more than 20 per cent. of the gross investments held by the Company at the time such investment is made.

It should be appreciated that the value of a Participating Share and the income from it can fall as well as rise.

The objectives of the Company relating to each class of Participating Shares are set out overleaf.

The distribution of this document and the offering of Participating Shares in certain jurisdictions may be restricted, and accordingly persons into whose possession this document comes are required by the Company and the Managers to inform themselves about and to observe any such restrictions.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or solicitation. In particular (i) the Participating Shares may not be offered by public invitation in the Cayman Islands; (ii) Participating Shares may not be acquired or owned beneficially either directly or indirectly or on behalf of any person (other than the Managers) resident in Guernsey, Alderney or Herm; and (iii) the Participating Shares are not being registered under the United States Securities Act of 1933 and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America (including its territories, possessions and areas subject to its jurisdiction) or to or for the benefit of a United States person. For this purpose, United States person includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust other than an estate or trust the income of which from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included in gross income for the purposes of computing United States federal income tax. The attention of United States persons is drawn to the paragraph headed "Restrictions on holdings" overleaf and the compulsory redemption powers of the Company mentioned therein.

The consent of the Advisory and Finance Committee of the States of Guernsey has been obtained to the issue of up to 99,990,000 Participating Shares under the Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 1976. The consent of the Finance and Economics Committee of the States of Jersey has been obtained to the circulation of this document in the Island of Jersey and to the raising of money thereby under the Control of Borrowing (Jersey) Order 1958 (as amended). It must be distinctly understood that in giving these consents the Committees do not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.

Participating Shares in the Company sold pursuant to the initial offer will be sold on the basis of the information and representations contained in this document and any further information or representations given or made by any dealer, salesman or other persons must be regarded as unauthorised.

This document does not constitute an offer of Participating Shares for subscription at any time after 26th November, 1984.

This document is based on the law and practice currently in force in the Cayman Islands, Guernsey, and the United Kingdom and is subject to changes therein.

Persons interested in acquiring Participating Shares in the Company should inform themselves as to:—

(i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition;

(ii) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition or disposal of Participating Shares; and

(iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Participating Shares.

This document is important. If you are in any doubt about it you should consult your solicitor, stockbroker, bank manager, or other professional adviser.

Expressions which are not defined in this document have the meanings ascribed to them in the Articles of Association of the Company.

Copies of this document and Application Forms may be obtained from:

Schroder Unit Trust Managers International Limited,
P.O. Box 273,
Schroder House,
The Grange,
St. Peter Port,
Guernsey, Channel Islands.
Tel: Guernsey (0481) 28750
Telex: 4191452

or

Schroder Unit Trust Managers Limited,
Enterprise House,
Isambard Brunel Road,
Portsmouth, PO1 2AW.
Tel: Portsmouth (0705) 827733
Telex: 86332

SCHRODER PORTFOLIO SELECTION FUND LIMITED

Schroders

Equity Funds

American Fund
American Smaller Companies Fund

The aim of both the American Fund and the American Smaller Companies Fund will be to achieve long term capital growth through investment directly or indirectly in the shares of North American companies. Emphasis will be given to companies which operate in growth sectors such as energy, advanced technology and biotechnology, computer services, electronic retailing and the provision of health care.

The American Smaller Companies Fund portfolio will consist very substantially of companies with market capitalisations of $500 million or less. There will be a little more risk attached to this portfolio than to the American Fund portfolio but the prospect of reward is considered to be commensurately greater.

Australian Fund

The aim of the Australian Fund will be to achieve long term capital growth through investment in Australia. The country possesses a wide range of natural resources, including base and precious metals. Investments in these basic industries will represent a large part of the portfolio although the Australian Fund will also invest in those industrial sectors which may benefit from any expansion of the Australian economy during the 1980s. Some investment may take place in other countries in the Pacific Basin but to an extent which is unlikely to exceed 5 per cent. of the portfolio and will not exceed 10 per cent.

British Fund

The aim of the British Fund will be to provide a balanced portfolio of good quality United Kingdom investments, the main objective being to achieve capital growth. Nevertheless, the aim will be to produce a higher immediate income than is obtainable from funds concentrating entirely on capital growth. Some investment may take place in other countries but to an extent which is unlikely to exceed 5 per cent. of the portfolio and will not exceed 10 per cent.

European Fund

The aim of the European Fund will be to achieve long term capital growth. It may invest in any continental European stock market and although the bulk of investment will take place in the major markets the smaller markets may also be represented. Although the European Fund will invest principally in equities there may be periods when fixed interest securities are an attractive investment for a portion of the portfolio.

The European Fund will aim to invest up to half of its portfolio in smaller companies which have good growth prospects and which specialise in a particular technology or market. The other half of the European Fund will be invested in larger companies to give it the necessary market flexibility. Emphasis will be laid on growth sectors such as, at the present time, communications, technology, health care, and on companies with specialist knowledge in a variety of smaller sectors. In this way investors will gain broad exposure to growth sectors in European markets as well as to European currencies.

Gold Fund

The Gold Fund will aim for capital growth by investing in a broadly-based portfolio of mining shares with at least 90 per cent. in gold and the balance in other precious metals.

Any improvement in the gold price is likely, in the opinion of the Directors, to have a more than proportionate effect on the profitability of mining companies, with corresponding implications for their shares. Their general trends will be in line with the gold price, which can be quite volatile. For this reason only a small proportion of an investor's portfolio should be invested in this class of Participating Shares.

Hong Kong Fund

The aim of the Hong Kong Fund will be to achieve capital growth through investment in Hong Kong. Emphasis will be initially placed on the commercial and industrial sectors. The proportion invested in other sectors, such as utilities and property, will be varied as the Directors consider appropriate bearing in mind the state of the economy.

The political situation in Hong Kong should always be borne in mind as should the volatility of the Hong Kong stock market which is probably greater than that of any other major stock market in the world.

International Fund

The aim of the International Fund will be to achieve long term capital growth and it is designed for investors who prefer to leave the day-to-day management decisions to others. It will be the policy of the International Fund to invest worldwide with emphasis being placed on markets which appear to possess the greatest potential at any one particular time. The International Fund may also invest in securities other than equities.

Japanese Fund
Japanese Smaller Companies Fund

The aim of both the Japanese Fund and the Japanese Smaller Companies Fund will be to achieve capital appreciation through participation in the growth of the Japanese economy. Investments will be made primarily in Japan's manufacturing industries and, in particular, in those parts of it that are demonstrating an ability to exploit newly emerging technologies. The portfolios will, therefore, be invested in areas such as micro-electronics, computers, automated machine tools, telecommunications, precision instruments and pharmaceuticals.

The Japanese Smaller Companies Fund may invest significantly in companies quoted in the Second Section of the Tokyo and Osaka stock markets, the regional markets in Nagoya, Fukuoka and Sapporo and the over the counter markets in Tokyo, Osaka and Nagoya.

Singapore and Malaysian Fund

The aim of the Singapore and Malaysian Fund will be to achieve capital growth through investment primarily in the ordinary shares of companies operating in each of these two countries.

The Directors consider that Singapore's strength derives from stable government and the quality of the work force which is among the best educated in the world. A highly sophisticated financial sector now rivals that of Hong Kong whilst in industry Singapore is already the leading ship repair centre in the Far East. There are also flourishing electronics and property sectors.

Malaysia is a country rich in produce and natural resources including oil and natural gas, tin, rubber, palm oil, pepper and cocoa. A manufacturing base is developing helped by revenues from natural resources. Malaysia is currently a net exporter of crude oil and possesses natural gas resources which are among the world's largest.

The Singapore and Malaysian Fund may occasionally invest in other Far Eastern countries but to an extent which is unlikely to exceed 5 per cent. of the portfolio and will not exceed 10 per cent.

Fixed Interest Funds

Dollar Fixed Interest Fund
Sterling Fixed Interest Fund

The aim of both the Dollar Fixed Interest Fund and Sterling Fixed Interest Fund will be to achieve the highest possible total return from portfolios of dollar and sterling fixed interest securities respectively including convertible loan stock. The Directors consider this will best be achieved by reacting quickly to changes in interest rates rather than by striving continuously for the highest level of immediate income. Thus, the yield from income alone which will be the figure quoted for each class of Participating Shares may appear lower than that obtainable from some dollar or sterling securities but the Directors believe that over a reasonable period a combination of income and capital growth will make these classes of Participating Shares rewarding investments within their respective currencies.

Currency Funds

Deutschemark Currency Fund
Dollar Currency Fund
Sterling Currency Fund
Yen Currency Fund

The purpose of these classes of Participating Shares will be to provide investments in each of the stated currencies which have the following principal characteristics:

Each investment will provide a return very close to that available from time to time in the short term, wholesale, money markets of the relevant currency.

Each investment will be realisable at very short notice with a high degree of capital protection in the currency of the investment, whatever the prevailing economic conditions.

Each class will invest in a managed portfolio of short term deposits and money market instruments maintained in the respective currency. The average life to maturity of each portfolio will not normally exceed 90 days. The purpose of this short maturity structure is to reduce to a minimum the risk of capital loss even when there are sharp upward movements in interest rates.

Managed Currency Fund

The Managed Currency Fund will provide a balanced portfolio of currencies aiming to provide an above average total return taking both currency fluctuations and interest income into account. The level of income distribution may fluctuate from year to year.

The Managed Currency Fund's investments will normally be selected from the currencies of the countries set out below in amounts and proportions appropriate to the size of the class and the marketability of the currencies and instruments selected. Other currencies which are convertible into sterling may be chosen if this is felt appropriate by the Directors.

United States of America	West Germany
United Kingdom	Canada
Japan	France
Switzerland	Holland
Denmark	Italy
Belgium	Eire

By dealing in size the Managed Currency Fund will usually be able to obtain higher rates of interest and finer rates of exchange than could most private individuals.

Investment in Schroder unit trusts

The classes of Participating Shares described above may invest in appropriate Schroder unit trusts and other Schroder investment vehicles with the same investment aims. The purpose is to enable the individual classes of Participating Shares to share in the economies of scale enjoyed by the existing unit trusts and other investment vehicles. The position relating to management charges is set out below. In certain instances such holdings may be substantial although, in due course, it is expected that the classes will build up portfolios of their own.

The Schroder unit trusts in which investments may take place are currently as follows:

Schroder American Fund
Schroder U.S. Smaller Companies Fund
Schroder Australian Fund
Schroder European Fund
Schroder Gilt and Fixed Interest Fund
Schroder Gold Fund
Schroder Income Fund
Schroder International Fund
Schroder Japanese Smaller Companies Fund
Schroder Singapore and Malaysian Fund
Schroder Smaller Companies Fund
Schroder Tokyo Fund
Schroder U.K. Equity Fund

The above are all United Kingdom authorised unit trusts.

Dividend policy

It is intended that the whole of the net income, to the extent that such income is covered by dividends and interest received from underlying investments, attributable to each class of Participating Shares, after deduction of the expenses attributable to such class, will be distributed to investors.

For the Currency Funds and Fixed Interest Funds a dividend will be paid in November 1985 and will normally be paid half-yearly thereafter.

For all other classes of Participating Shares, dividends will normally be paid annually in November commencing in November 1985.

Dividends will be paid in the currency in which the class of Participating Shares is designated except that dividends payable in respect of the Yen Currency Fund will be payable in dollars converted at the then prevailing exchange rate.

Management

The Company has been promoted by the Managers, Schroder Unit Trust Managers International Limited, which is a wholly-owned subsidiary of Schroders plc, the share capital of which is listed on The Stock Exchange, London. Schroders plc is the holding company of an international group of banking, investment, leasing and life assurance companies.

The Managers act as the managers of unit trusts and investment companies in Guernsey. They will provide the Company with secretarial and registration services and the management of its assets, subject to the overall policies, directions and control of the Directors, in consideration of the remuneration receivable under the Management Agreement dated 24th October, 1984.

J. Henry Schroder Wagg & Co. Limited, a subsidiary of Schroders plc, is the Investment Adviser to the Company under an Investment Advisory Agreement dated 24th October, 1984. J. Henry Schroder Wagg & Co. Limited is a recognised bank under the United Kingdom Banking Act 1979. It is a member of the Accepting Houses Committee in London and is a leading merchant bank with substantial funds under management for United Kingdom and overseas clients.

The Custodian is Barclaytrust International Limited under a Custodian Agreement dated 30th October, 1984. The responsibilities of the Custodian consist of holding all securities and other assets of the Company in safe-keeping. Redemptions and dividends are paid by the Custodian from the assets of the Company.

Further details of these agreements are set out under "General information".

Issue and redemption of Participating Shares

Participating Shares may be issued and redeemed on any Subscription Day, which is normally any weekday which is a business day in Guernsey. The minimum initial subscription per class of Participating Shares is $2,000 or its equivalent in other currencies, although subsequent applications by existing holders for Participating Shares in the same class may be made for a minimum of $1,000 or its equivalent in other currencies. The application procedures are described opposite. Every application will be deemed to be made on the terms set out in the printed application form opposite.

Issue of Participating Shares

The Articles of Association provide that, after the initial issue and except where there is a suspension of the determination of the net asset value for Participating Shares of the relevant class, Participating Shares may be issued on Subscription Days at a subscription price per Participating Share of not less than the nominal amount plus a premium. The premium is determined by assessing the value (on an offer basis) of the net assets of the Investment Fund of that class on the business day before the relevant Subscription Day, adding a provision for duties and charges which would be payable on acquisition of the whole of that Investment Fund's portfolio, and (if an Equalisation Account is being operated) deducting the Net Undistributed Income of the relevant Investment Fund. The amount of premium so calculated is then divided by the number of Participating Shares of the relevant class in issue and deemed to be in issue. From the resultant amount is deducted an amount equivalent to the nominal value of a Participating Share. Where an Equalisation Account is being operated an equalisation payment is also payable. The initial charge (not exceeding 5 per cent. of the subscription price and the equalisation payment) is added and the total may then be rounded upwards by not more than 1 per cent. (the Managers being entitled to the initial charge and rounding up adjustment).

The currency in which subscription monies for each class of Participating Shares is payable is shown opposite the classes concerned under "Principal features" except that, in order to comply with Japanese Ministry of Finance requirements the subscription monies of the Yen Currency Fund cannot be paid in yen but should be paid in any of the other currencies listed under "Principal features".

The Company may also make offers of Participating Shares at fixed prices from time to time, within limits set out in the Articles of Association.

The Managers may, as principal, at their sole discretion, satisfy, in whole or in part, an application for Participating Shares by effecting a transfer to the applicant of Participating Shares owned by the Managers at the price calculated as above.

The Articles of Association also provide that the Company may decline to allot Participating Shares unless cleared funds in payment of the shares to which an application relates have been received by 15.30 hours (Guernsey time) on the business day immediately preceding the Subscription Day in question.

Participating Shares may be issued in exchange for investments on such basis of valuation as the Directors think fit, if they are satisfied that the terms of such exchange are not such that are likely to result in any material prejudice to existing holders of Participating Shares.

The Directors have the power to operate an Equalisation Account (as defined within the Articles of Association) in relation to subscriptions for Participating Shares. In such a case, equalisation payments are normally repaid to shareholders with the first dividend to which they are entitled after the issue of the relevant Participating Shares or, if still outstanding, on a redemption of such shares or on a liquidation. The Directors reserve the right to operate an Equalisation Account in respect of some or all of the classes of Participating Shares.

Fractions of shares will not be issued and any excess subscription monies will be retained by the Company for the benefit of the class of Participating Shares being issued.

Redemption of Participating Shares

Participating Shares of any class may, except where there is a suspension of the determination of the net asset value for the Participating Shares of the relevant class, be redeemed on any Subscription Day.

The redemption price per Participating Share is determined in accordance with the Articles of Association. It is the total of the nominal amount of a Participating Share and a certain sum. This sum is calculated by assessing the realisable value (on a bid basis) of the net assets of the Investment Fund of that class on the business day before the relevant Subscription Day, deducting a provision for duties and charges payable on the assumption that the whole of that Investment Fund's portfolio was realised and (if an Equalisation Account is in operation) the amount of Net Undistributed Income of that class. The amount so calculated is then divided by the number of Participating Shares of the relevant class then in issue and deemed to be in issue and from the resultant amount is deducted an amount equivalent to the nominal amount of a Participating Share. If an Equalisation Account is in operation, a payment may also be made in respect of Accrued Income and out of the Equalisation Account. The total is then adjusted downwards by not more than 1 per cent. (the Managers being entitled to receive the rounding down adjustment on shares redeemed). Where Participating Shares are purchased by the Managers, the price paid is not less than the price calculated as above.

In order to realise all or part of a holding, a shareholder should advise the Managers not later than 15.30 hours (Guernsey time) on the business day prior to the relevant Subscription Day. This advice should take the form of delivery of the certificate(s), duly renounced, or be in writing or by telex to be followed by the renounced certificate(s). Unless the number of Participating Shares is specified, a redemption will be taken to apply to all the Participating Shares of the class held in the name of the Member or represented by the certificate(s) received. Requests for redemption received late may be held over until the next Subscription Day. Subject to listing being granted, each class of Participating Shares may also be dealt in on The Stock Exchange.

Redemption or sale proceeds will be despatched by the Managers not later than the tenth business day following the relevant Subscription Day or date of receipt of the duly renounced certificate(s) if later.

Payment will be made by cheque sent by post at the applicant's risk, but if the amount is of sufficient size the shareholder may request a telegraphic transfer at his own expense.

Participating Shares may also be transferred by form of common transfer in any whole number.

Where a request for redemption is made in respect of Participating Shares for which no certificate has yet been issued such request should be accompanied by a common stock transfer form or similar instrument in writing in common form, detailing the number and class of Participating Shares to be redeemed and duly signed by all the parties in whose names such certificate would have been issued but for the request.

Requests for redemption once made may only be withdrawn in the event of a suspension of valuation.

Conversion of Participating Shares

Participating Shares of any class may be converted on any Subscription Day into Participating Shares of any other class.

Conversions from one class of Participating Shares to another class may be made in respect of Participating Shares with a value of not less than $2,000 or its equivalent in other currencies at the time of conversion. The Managers may at their discretion permit conversion of smaller amounts.

In order to convert all or some of his Participating Shares a shareholder should deliver his share certificate to the Managers by 15.30 hours (Guernsey time) on the business day immediately preceding the Subscription Day in question, with the request for conversion on the reverse duly completed.

Requests for conversion once made may only be withdrawn in the event of a suspension of valuation.

Where a request for conversion is made in respect of Participating Shares for which no certificate has yet been issued, such request must be made in writing to the Managers detailing the precise number of shares to be converted and the class in which they are currently issued, and the name of the class to which they are to be converted, and such request must be signed by all the parties in whose names such original certificate would have been issued but for the request.

Further details are set out under "General information".

Reinvestment procedures

As stated in the paragraph headed "Dividend policy" all dividends will be paid in the currency in which the particular class of Participating Shares is designated except that dividends payable in respect of the Yen Currency Fund will be payable in dollars converted at the then prevailing exchange rate. In certain circumstances the collection and credit to the shareholders' bank account of relatively small foreign currency cheques can attract bank charges which are disproportionately high in relation to the value of the cheque. In this instance it may be of interest to shareholders to avail themselves of the reinvestment procedures.

Shareholders may elect, either by written request to the Managers, or on completion of the appropriate section of the Application Form, to have dividends payable to them on any class of Participating Shares applied in the acquisition of further Participating Shares of that class. Where a shareholder so elects, the Managers will issue a dividend voucher in the normal manner, but will retain the dividend payment in consideration of the issue of a contract note dated as at the dividend payment date detailing the number and class of Participating Shares acquired at the Subscription Price on that date. Certificates covering such Participating Shares will be issued in accordance with normal subscription procedures.

Valuations

The prices at which Participating Shares may be issued and redeemed are calculated (as explained above) separately by reference to the net asset value of the Investment Fund established in respect of the relevant class of Participating Shares which is valued on an offer and bid basis respectively.

The value of currencies, treasury bills, bank acceptances, trade bills, certificates of deposit, and similar assets will be determined by the Managers in accordance with normal dealing practice. The value of units in any unit trust is the latest offer or bid price (as the case may be) less (in the case of the offer price) any discount allowed to the Managers. Other unquoted instruments will be valued at the Managers' valuation. Quoted investments will be valued at stock exchange or over the counter market prices prevailing on the Valuation Day.

Interest, dividends and other payments due or accrued to the relevant Investment Fund but not yet received will be included, and any expenses, provisions and liabilities will be deducted.

In certain circumstances valuations may be suspended, and during any such period of suspension no Participating Shares of the class to which the suspension relates may be issued (other than those already allotted), redeemed or converted. Details are set out in paragraph 3 of "General information."

The valuation principles are set out in detail in the Company's Articles of Association.

Publication of prices

The bid and offer prices of each of the classes of Participating Shares will, as soon as space is available, be published in the Offshore and Overseas Funds section of the London Financial Times. The published offer price includes the Managers' initial charge where applicable.

Foreign exchange transactions

Where payments in respect of allotment or redemption of Participating Shares are tendered or requested in a currency other than that in which the Participating Shares concerned are designated, the necessary foreign exchange transactions may be arranged by the Managers on behalf of and for the account of the applicant or shareholder without responsibility with respect to either the Company or the Managers.

Fees and charges

The Articles of Association provide that the Managers may make an initial charge not exceeding 5 per cent. to subscribers for Participating Shares. The Managers propose to make such a charge but it will be waived in the cases of the individual Currency Funds (other than the Managed Currency Fund).

If a charge was paid at the time of the original investment, Participating Shares to be acquired as a result of subsequent conversions will be allocated subject to a charge of 2½ per cent. instead of the higher charge made to new shareholders.

If the original investment was into an individual Currency Fund where no initial charge was made, the first conversion (except into an individual Currency Fund other than the Managed Currency Fund) will be liable to a 5 per cent. charge and subsequent conversions to a 2½ per cent. charge. Conversions into an individual Currency Fund (other than the Managed Currency Fund) do not give rise to an initial charge.

The Company pays the Managers a monthly fee of one twelfth of one per cent. of the net asset value of the Investment Fund relating to each class of Participating Shares as at the last Subscription Day in each month. Out of these fees the Managers are obliged to meet all their own expenses, including registration, investment advisory and secretarial costs and commissions to recognised agents for the introduction of subscribers. The Company is responsible for its own operating expenses, including audit and legal fees, stamp and other duties, charges incurred on the acquisition and realisation of investments and fees and expenses payable to Directors. The Company also pays expenses incurred in any issue of Participating Shares, and pays the costs of obtaining and maintaining the listing on The Stock Exchange, London and prospectuses issued by the Company. In addition, certain of the out-of-pocket expenses of the Managers, the Investment Advisers and the Custodian in relation to their services to the Company are borne by the Company. The Management Agreement allows the Managers to increase their monthly fee to one sixth of one per cent. upon giving the shareholders of the class concerned not less than three months' notice in writing.

The agreement with the Custodian allows for a maximum monthly fee, payable by the Company, of one twelfth of 0.25 per cent. of the net asset value of each class of Participating Shares in the Company subject to a minimum of £1,500 per annum per Currency Fund and £2,000 per annum for all other funds. The current monthly Custodian fee is, subject to these minima, one twelfth of 0.1 per cent. for the Currency Funds and one twelfth of 0.15 per cent. for all the other funds. Where units are held in Schroder unit trusts, this fee is reduced to one twelfth of 0.1 per cent. of the assets represented thereby.

Where investments are made in unit trusts managed by Schroder Unit Trust Managers Limited, the Company will receive those units free of initial charge and the Managers' management fee will be reduced in respect of such units, by an amount equivalent to that charged by Schroder Unit Trust Managers Limited.

Commissions

Out of the initial charge the Managers may pay commission to authorised agents at rates which are available from the Managers.

Taxation

The Company

The Company is incorporated in the Cayman Islands. Under the system of taxation presently in force in the Cayman Islands no taxes will be chargeable on any income, profits or capital gains of the Company or on any dividends payable by the Company. The Company has obtained an undertaking from the Cayman Islands' authorities that, for a period of 20 years from 30th October, 1984, no law which is enacted in the Cayman Islands imposing any tax or duty to be levied on income, profits, gains or appreciations shall apply to the Company.

Registration and stamp duty fees in the Cayman Islands, payable on the incorporation of the Company amounted to the equivalent of $1,138.21. The annual filing fee payable each year by the Company in the Cayman Islands is currently the equivalent of $630.08.

The Company has been accepted by the Guernsey Income Tax Authority as resident but exempt from income tax in Guernsey pursuant to the provisions of the Income Tax (Guernsey) Law 1975 as amended by the Income Tax (Amendment) (Guernsey) Law 1954 and the Income Tax (Exempted Companies and Trusts) (Guernsey) Ordinance 1984. The Company's liability to Guernsey taxation is limited to an annual fee payable to the Income Tax Authority and currently fixed at the rate of £1,000. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it retains such exempt status which is granted on an annual basis.

The Company is expected to make investments in many different countries so that some income therefrom may be subject to withholding tax. Furthermore the Company will be unable to obtain payment of tax credits in respect of income received from United Kingdom based Schroder unit trusts and dividends from United Kingdom resident companies.

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it will not become resident in the United Kingdom, that it would not be deemed to be a close company if it were so resident, and that its income and gains will not be subject to tax in the United Kingdom or elsewhere, except as noted above.

Shareholders

Under the system of taxation presently in force, shareholders will not be subject to any tax in the Cayman Islands in respect of any Participating Shares owned by them. The Company has obtained an undertaking from the Cayman Islands' authorities that, for a period of 20 years from 30th October, 1984, no tax in the nature of estate duty or inheritance tax, nor on the income, profits, gains or appreciations arising from or on such Participating Shares shall be chargeable in respect of any Participating Shares owned by shareholders.

Shareholders will not be subject to any tax in Guernsey in respect of any Participating Shares owned by them. No death duties, capital gains tax, gift, inheritance or capital transfer taxes are levied in Guernsey. No stamp duty is levied in Guernsey on a transfer or redemption of Participating Shares in the Company.

Clearance has been obtained from the Board of Inland Revenue of the United Kingdom under Section 464 of the Income and Corporation Taxes Act 1970 that the provisions of Section 460 of that Act (cancellation of tax advantages from certain transactions in securities) will not apply to the issue, redemption or conversion of Participating Shares, the purchase of Participating Shares from or their sale to the Managers, and the purchase and sale of Participating Shares through The Stock Exchange, London.

Shareholders (other than those holding Participating Shares as dealing stock, who are subject to separate rules) who are resident or ordinarily resident in the United Kingdom or carrying on business in the United Kingdom through an establishment with which their investment is connected may, depending on their circumstances and subject as is mentioned below, be liable to United Kingdom capital gains tax or corporation tax in respect of chargeable gains realised on disposal of Participating Shares. The Directors have been advised that any conversion of Participating Shares of one class into Participating Shares of another class will not of itself constitute a disposal of Participating Shares of the first class for the purpose of United Kingdom tax on chargeable gains.

The United Kingdom Finance Act 1984 contains provisions affecting the disposal of material interests in offshore funds by shareholders as are mentioned in the immediately preceding paragraph. Such gains if derived from an offshore fund which is not certified by the Inland Revenue to be a distributing fund will be liable to tax as income, rather than as capital gains. Having regard to the Company's proposed distribution policy it is expected that the Company will be so certified, with the result that these provisions should not apply to investors, except as regards any equalisation element arising on a disposal or conversion of Participating Shares.

United Kingdom resident companies having an interest in the Company, such that 10 per cent. or more of the Company's profits for an accounting period could be apportioned to them, may become liable to United Kingdom corporation tax in respect of their share of the Company's undistributed profits, in accordance with the provisions in the Finance Act 1984 relating to Controlled Foreign Companies. However, in view of the Company's proposed distribution policy these provisions should not be applicable.

The attention of individuals ordinarily resident in the United Kingdom is drawn to Section 478, Income and Corporation Taxes Act 1970 and Section 45, Finance Act 1981 which contain provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad and may render them liable to taxation in respect of undistributed income and profits of the Company.

Shareholders liable to United Kingdom taxation in respect of dividends received from the Company will be so liable in respect of dividends applied in the acquisition of further Participating Shares under the reinvestment procedures.

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, selling or converting Participating Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any Exchange Control requirements.

Report and accounts

The report and accounts relating to the Company will be made up to 30th September (or if such day is not a business day, the immediately preceding business day) of each year and will be circulated to shareholders. Interim reports will be made up to 31st March (or if such day is not a business day, the immediately preceding business day) of each year and will be also circulated to shareholders.

Meetings

The Annual General Meeting of shareholders of the Company will be held in Guernsey. Notices convening the Annual General Meeting will be forwarded to shareholders together with the annual report and accounts of the Company, not later than 21 days before the date fixed for the meeting.

Accountants' Report

The Directors
Schroder Portfolio Selection Fund Limited,
P.O. Box 1040,
West Wind Building,
George Town,
Grand Cayman,
Cayman Islands

Abacus Chambers,
Smith Street,
St Peter Port,
Guernsey,
Channel Islands

24th October, 1984

Dear Sirs,

Schroder Portfolio Selection Fund Limited was incorporated under the laws of the Cayman Islands and registered on 22nd October, 1984. As at the date of this report it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully,
COOPERS & LYBRAND
Chartered Accountants

General information

1. Constitution of the Company

The constitution of the Company is defined in its Memorandum and Articles of Association.

2. Share capital and Investment Funds

The Company has an authorised share capital of $1,000,000 divided into 100 Founders' Shares of $1 each all of which have been subscribed for in full in cash by or on behalf of the Managers and 99,990,000 Unclassified Shares of 1 cent each available for issue as Participating Shares or Nominal Shares. At the date hereof no Participating Shares or Nominal Shares have been issued.

The rights attaching to the various classes of shares are as follows:—

(a) Founders' Shares

Founders' Shares have been created so that Participating Shares may be issued with preference over another class of capital. They carry one vote each on a poll and do not carry any right to dividends. Founders' Shares are not redeemable. They are issued only to the Managers.

(b) Unclassified Shares

These may be issued either as Participating Shares or as Nominal Shares.

(c) Participating Shares

Participating Shares are divided into classes as determined by the Directors from time to time. On or before allotment of any Participating Shares, the Directors are required to determine the class to which such Participating Share shall belong. All monies payable on or in respect of a Participating Share (including the subscription and redemption monies in respect thereof) are payable in the currency in which such Participating Share is designated or in such other currency as the Directors may deem appropriate. The Directors have determined classes of Participating Shares in the classes set out under "Principal features". The Directors may in the future designate new classes of Participating Shares in respect of investments of a different nature. A separate Investment Fund is maintained for each class (see Investment Funds below). Each holder of Participating Shares will be entitled, on a poll, to one vote for each share held. Dividends may be paid to the holders of Participating Shares of any class out of the profits of the relevant Investment Fund available for distribution.

(d) Nominal Shares

Nominal Shares may only be issued and redeemed at par and only for the purpose of providing funds for the repayment of the nominal amount of Participating Shares redeemed. They carry no right to a dividend. Each holder of Nominal Shares is entitled, on a poll, to one vote in respect of all the shares held by him.

The Managers are obliged to subscribe for Nominal Shares for cash at par when Participating Shares are redeemed unless the Directors decide that the nominal amount of such Participating Shares is to be redeemed out of profits.

Nominal Shares may be converted into Participating Shares by the Managers upon paying the necessary conversion price.

(e) All shareholders are entitled to receive notice of General Meetings and to attend and vote thereat. On a vote taken by a show of hands every member who is present has one vote.

Further information in respect of rights on a winding-up are detailed in paragraph 6 below.

(f) Investment Funds

The Directors will establish an Investment Fund for each class of Participating Shares.

The proceeds from the allotment and issue of each class of Participating Shares whether or not requiring conversion into some other currency or currencies are required to be applied in the books of the Company to the Investment Fund established for that class of Participating Shares, and the assets and liabilities and income and expenditure attributable thereto is to be applied to such Investment Fund.

The proceeds from the conversion of Nominal Shares into Participating Shares of any class, together with an amount equivalent to (or as near as possible equivalent to) the nominal value thereof, are to be applied in the books of the Company to the Investment Fund established for that class of Participating Shares.

Where any asset is derived from another asset (whether cash or otherwise) such derivative asset is to be applied in the books of the Company to the same Investment Fund as the asset from which it was derived and on each revaluation of an investment the increase or diminution in value is to be applied to the relevant Investment Fund.

In the case of any asset of the Company (not being attributable to the Founders' Shares or Nominal Shares) which the Directors do not consider to be attributable to a particular Investment Fund, the Directors have the discretion, subject to the approval of the Auditors, to determine the basis upon which any such asset is to be allocated between Investment Funds and the Directors have power at any time and from time to time subject to the approval of the Auditors to vary such basis.

Where the assets of the Company attributable to the Founders' Shares or the Nominal Shares give rise to any net profits, the Directors may allocate assets representing such net profits to such Investment Funds as they deem equitable.

The Directors have discretion subject to the approval of the Auditors to determine the basis upon which any liability, including expense, shall be allocated between Investment Funds (including conditions as to subsequent re-allocation thereof if circumstances so permit) and have power at any time and from time to time to vary such basis.

Subject to the approval of the Auditors, the Directors may in the books of the Company transfer any assets to and from Investment Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would otherwise be borne, or in any similar circumstances.

Where in any particular case the Directors on behalf of the Company have in accordance with any determination made in accordance with the Articles of Association received monies in a currency or currencies other than that in which the relevant Participating Shares are designated they should apply such monies having taken into account the currency conversion factor operating on a conversion of shares.

Dividends of different amounts may be paid in respect of different classes of Participating Shares and at different times.

Notwithstanding that the subscription or redemption monies in respect of any class may be payable in a currency other than dollars, the nominal share capital of each class will be credited in dollars in the books of the Company.

Save as otherwise provided, the assets so held in each Investment Fund are to be applied solely in respect of Participating Shares of the class to which such Investment Fund relates.

3. Temporary suspension of dealings

The Directors may declare a suspension of the determination of the net asset value for Participating Shares of any class for the whole or any part of a period during which:—

(a) by reason of the closure of or the suspension of trading on any money market, stock exchange or over-the-counter market or any other exchange or market or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Company to realise or dispose of any investments or fairly to determine the value of the net assets for the Participating Shares of the class concerned; or

(b) a breakdown occurs in any of the means normally employed by the Directors in ascertaining the value of investments or when for any other reason the value of the investments or other assets of the relevant Investment Fund cannot reasonably be ascertained.

No Participating Shares of the class to which the suspension relates may be issued (other than those which have already been allotted) nor may Participating Shares of such class be redeemed or converted during a period of suspension. In the event of suspension, a shareholder may withdraw his redemption or conversion request provided that such withdrawal is actually received before the termination of the period of suspension. Where the request is not withdrawn, the day on which the redemption or conversion of the Participating Shares will be effected will (if later than the day on which the redemption or conversion would otherwise have been effected if there had been no suspension) be the Subscription Day next following the end of the suspension. The Managers may exercise the power of suspension under the Management Agreement.

4. Variation of class rights

(a) The special rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a resolution passed by a majority of three-fourths of the votes cast at a separate meeting of the holders of such shares. For such purposes the Directors may treat all the classes of Participating Shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration and that there would be no conflict of interest between them but in any other case shall treat them as separate classes.

To every such separate meeting all the provisions of the Articles of Association as to the General Meetings of the Company shall, mutatis mutandis, apply, except that the necessary quorum at any such meeting is two persons at least holding or representing by proxy one-third of the issued shares of that class. If a meeting is adjourned because a quorum is not present those present at the adjourned meeting will form a quorum.

(b) The rights attached to each class of Participating Shares are deemed to be varied by the creation or issue of any shares (other than Participating Shares of any class) ranking pari passu with or in priority to them as regards participating in the profits or assets of the Company.

(c) Subject to paragraph (b) above the special rights attached to any class of shares having preferential rights are (unless otherwise expressly provided by the conditions of issue of such shares) deemed not to be varied by the creation, allotment or issue of further shares ranking pari passu therewith; or by the creation, allotment or issue of Founders' Shares; or by the creation of Unclassified Shares; or by the allotment, issue or redemption of Participating Shares of any class; or by the conversion of Participating Shares of any class into Participating Shares of another class; or by the allotment, issue or redemption of Nominal Shares; or by the conversion of Nominal Shares into Participating Shares; or by the payment of a dividend on Participating Shares of any other class where the dividend is paid out of the relevant Investment Fund; or by the exercise by the Directors of certain of their discretions under the Articles of Association or if the Company shall be wound up, by the exercise by the Liquidator of his powers under the Articles of Association.

5. Restrictions on holdings

The Managers are empowered under the Articles of Association of the Company to require the transfer or redemption of any Participating Share which is owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Participating Share or which in the opinion of the Managers might result in the Company suffering taxation or other pecuniary disadvantage which it would not have suffered if such person ceased to be a holder of such Participating Share.

SCHRODER PORTFOLIO SELECTION FUND LIMITED

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Schroders

6. Redemption

(a) Minimum valuation of the Company

If at any time after the fifth anniversary of the date of the Company's incorporation the value of the aggregate amount of the net asset value of all the classes of Participating Shares (calculated as though for the purpose of computing the price at which Participating Shares are to be issued) shall on each Valuation Day (as defined in the Articles of Association) falling within a period of twenty-six consecutive weeks be less than \$10,000,000 or an equivalent amount in another currency, the Company may by not less than four weeks' notice to all holders of Participating Shares, given within eight weeks of the expiry of the twenty-six week period, on the Subscription Day nominated in such notice redeem at the relevant redemption price all (but not some) of the Participating Shares not previously redeemed.

(b) Minimum valuation of the Investment Funds

If at any time after the fifth anniversary of the date of the Company's incorporation the net asset value of any class of Participating Shares (calculated as though for the purpose of computing the price at which Participating Shares are to be issued) shall on each Valuation Day (as defined in the Articles of Association) falling within a period of twenty-six consecutive weeks be less than \$2,000,000 or an equivalent amount in another currency, the Company may by not less than four weeks' notice to all holders of Participating Shares of that class given within eight weeks of the expiry of the twenty-six week period, on the Subscription Day nominated in such notice redeem at the relevant redemption price all (but not some) of the Participating Shares of that class not previously redeemed.

(c) Final redemption

All Participating Shares not previously redeemed will be redeemed by the Company on 31st October, 2084 at the redemption price on that day, determined as mentioned above, or if such date is not a business day, on the next following business day at the redemption price on such following business day.

(d) Deferral of redemptions

The Company shall not be bound to redeem as at any Subscription Day more than one-quarter of the number of Participating Shares of any class then in issue. If the Company shall receive requests for the redemption as at any Subscription Day of a greater number of Participating Shares, it may scale down the number to be redeemed in response to each request to such extent as may be necessary to ensure that the foregoing limit is not exceeded and shall carry forward for redemption as at the next following Subscription Day the balance of each request and so on to each succeeding Subscription Day until each request has been complied with in full, provided that requests for redemption which have been carried forward from an earlier Subscription Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

7. Conversion

The Articles of Association give a shareholder the right to convert all or any of his Participating Shares of one class into shares of another class. The number of Participating Shares of the new class to be allotted is calculated in accordance with the formula

$$S = \frac{R \times RP \times CR}{SP}$$

where:

- S is the number of Participating Shares of the new class to be issued;
- R is the number of Participating Shares of the first class specified in the conversion request;
- RP is the Redemption Price per Participating Share of the first class ruling on the Subscription Day plus the Accrued Income Payment and Equalisation Payment (if any);
- CR is the currency conversion rate determined by the Directors on the Subscription Day in question as representing the effective rate of exchange applicable to the transfer of assets between the relevant Investment Funds, after adjusting such rate as may be necessary to reflect the effective costs of making such transfer provided that when the first class and new class are designated in the same currency the rate is one; and
- SP is the Subscription Price per Participating Share for the new class ruling on the Subscription Day and the Equalisation Payment (if any) plus any initial charge to which the Managers are entitled.

8. Rights on a winding-up

In the event of the Company being wound up the Liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The Liquidator shall in relation to the assets available for distribution among the Members make in the books of the Company such transfers thereof to and from the Investment Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of shares of different classes in such proportions as the Liquidator in his absolute discretion may think equitable having regard to the provisions concerning the allocation of assets and liabilities to Investment Funds contained in the Articles of Association. The assets available for distribution among the Members shall then be applied in the following priority:—

(a) First, in the payment to the holders of the Participating Shares of each class of a sum as nearly as possible equal to the nominal amount of the Participating Shares of such class held by such holders respectively provided that there are sufficient assets available in the relevant Investment Fund to enable such payment to be made. In the event that, as regards any class of Participating Shares, there are insufficient assets available in the relevant Investment Fund to enable such payment to be made, recourse shall be had:—

(i) first, to the assets of the Company not comprised within any of the Investment Funds; and

(ii) secondly, to the assets remaining in the Investment Funds for the other classes of Participating Shares (after payment to the holders of the Participating Shares of the classes to which they relate of the amounts to which they are respectively entitled under this paragraph (a)) pro rata to the total value of such assets remaining within each such Investment Fund.

(b) Secondly, in the payment to the holders of the Nominal Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any of the Investment Funds remaining after any recourse thereto under paragraph (a)(i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Investment Funds.

(c) Thirdly, in the payment to the holders of the Founders' Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any of the Investment Funds remaining after any recourse thereto under paragraph (a)(i) above and after payment in full to the holders of the Nominal Shares under paragraph (b) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to the holders of the Founders' Shares to be made no recourse shall be had to the assets comprised within any of the Investment Funds.

(d) Fourthly, in the payment to the holders of each class of Participating Shares of any balance then remaining in the relevant Investment Fund, such payment being made in proportion to the number of shares of that class held.

(e) Fifthly, in the payment to the holders of the Nominal Shares of any balance then remaining and not comprised within any of the Investment Funds, such payment being made in proportion to the number of Nominal Shares held.

(f) *The payments referred to in sub-paragraphs (a) to (e) above will be made in such currency as the Liquidator determines, any necessary conversion being made at the market rates of exchange prevailing in the foreign exchange markets at the time selected by the Liquidator (which is within fourteen days preceding the date of such payment).*

9. Directors

The Articles of Association contain provisions relating to Directors (inter alia) as follows:—

(a) Any Director may act in a professional capacity for the Company (other than as Auditor) and may hold any other office under the Company and may receive remuneration for any such services as if he were not a Director.

(b) *A Director may not normally vote in respect of any contract in which he is materially interested* but shall not be disqualified by his office from contracting with the Company. A Director is not counted in the quorum of any meeting in relation to a resolution on which he is debarred from voting.

(c) *The Directors shall each be entitled to a fee of \$2,000 in respect of each twelve month period* or such increased remuneration as may be voted to them by the Company in General Meeting. The Directors may also be reimbursed for expenses incurred in connection with the business of the Company and may receive remuneration for special services, including any *executive or salaried office.*

(d) The Directors may exercise the powers of the Company to borrow. The borrowing relating to an Investment Fund should not (except with the consent of the majority of holders of Participating Shares of the relevant class) exceed one quarter of the net asset value of the *relevant Investment Fund on the business day immediately preceding the date of borrowing.* In addition, borrowing will only be made if in the event of a contraction in the net asset value of an Investment Fund exceeding 15 per cent. of the net asset value of that Investment Fund as at the date of borrowing or as at the last repayment made pursuant to a contraction (whichever is the later) the borrower will be entitled *after the expiration of not more than 30* days' notice to repay the amount by which the outstanding borrowing of the relevant Investment Fund exceeds one quarter of the value of that Investment Fund on the date of the notice of contraction.

The Directors *do not intend* to use these powers except on a short term basis.

(e) There is no share qualification for the Directors.

(f) There are no provisions requiring a Director to retire at a certain age.

10. Material contracts

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:—

(a) Management Agreement between the Company and the Managers dated 24th October, 1984, as supplemented by a letter of the same date, whereby the latter agreed to manage the business of the Company, subject to the overall supervision of the Directors. They are paid a fee detailed under "Fees and charges". The agreement can be terminated by the Company on six months' notice. Under the Management Agreement the Managers are entitled to buy and sell Participating Shares as principals for their own account provided that they do not buy or sell Participating Shares at lower or higher prices respectively than the redemption and subscription prices (including where appropriate the initial charge equalisation payments and roundings) for the time being in force in accordance with the Articles of Association. If the Company invests in other funds managed by the Managers, the Managers are not paid a management fee in respect of such investment and, if the investment is in unit trusts managed by Schroder Unit Trust Managers Limited, the Managers' management fee will be reduced in respect of such units by an amount equivalent to that charged by Schroder Unit Trust Managers Limited. The Managers have power under the Management Agreement to delegate their duties with the prior approval of the Directors.

(b) Custodian Agreement between the Company and the Custodian dated 30th October, 1984 as supplemented by a letter of the same date, under which the Custodian was appointed *custodian of the Company's assets and is paid a fee detailed under "Fees and charges"*

(c) Investment Advisory Agreement between the Company, the Managers and J. Henry Schroder Wagg & Co. Limited dated 24th October, 1984, as supplemented by a letter of the same date, whereby investment advice is provided by J. Henry Schroder Wagg & Co. *Limited. The Investment Adviser is paid by the Managers.*

(d) Agreement between the Managers and Schroder Unit Trust Managers Limited dated 24th October, 1984, providing that if the Company acquires units in unit trusts managed by Schroder Unit Trust Managers Limited it will not be charged any initial charge in respect of the units concerned.

11. Miscellaneous

(a) The Company is not engaged in any litigation and the Directors are not aware of any litigation *or claims pending or threatened against the Company.*

(b) The Company has not commenced business and has not established and does not intend to establish a place of business in Great Britain. It has no subsidiaries or employees

(c) (i) Save as disclosed in the paragraph headed "Fees and charges" no commissions, discounts, brokerages or other special terms have been granted or are payable by the *Company in connection with the issue or sale of any capital of the Company*

(ii) No shares of the Company are under option or agreed conditionally or unconditionally to be put under option.

(iii) No shares or loan capital of the Company have been or are agreed or proposed to be issued as fully or partly paid up otherwise than in cash.

(d) The provisions of Sections 50 and 51 of the Companies Act 1948 of Great Britain (other than the penal provisions), so far as applicable having regard to Section 419 of that Act, shall apply to the allotment of shares in pursuance of this document.

(e) There is no property purchased or acquired by the Company or proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of this issue or the purchase or acquisition of which has not been completed at the date of issue of this *document.*

(f) Save as disclosed in the paragraph headed "Fees and charges" and in paragraph (j) below, no amount or benefit has been paid or given (or is intended to be paid or given) to any promoter.

(g) The Directors of the Company are also the Directors of the Managers.

The *following* shares are held by the Directors in Schroders plc:—

	Beneficially		Non-beneficially
	Fully paid	2p paid	*Fully paid*
G. H. Popham	14,593	1,625	2 000
I. G. Sampson	1,000	nil	nil

In addition to the directorships disclosed herein, G. H. Popham is Joint Vice Chairman of J. Henry Schroder Wagg & Co. Limited and Chairman of Schroder Unit Trust Managers Limited, I. G. Sampson is a director of Schroder Financial Management Limited and R. W. Taylor is a director of Schroder Unit Trust Managers Limited.

The Company may from time to time acquire and dispose of investments through subsidiary or associated companies of Schroders plc.

(h) Save as disclosed herein, no Director of the Company has any interest, direct or indirect, in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired, disposed of by or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Company.

(i) None of the Directors of the Company nor his family has an interest in the share capital of the Company which would be required to be shown in the register maintained under the provisions of the Companies Act 1967 (as amended by the Companies Act 1981) of Great Britain if the Company were subject to the provisions of that Act.

(j) The preliminary expenses of the Company and the expenses of the initial issue (including *the application to The Stock Exchange* for listing and the fee payable to J. Henry Schroder Wagg & Co. Limited in connection with its services in relation to the formation of the Company and the obtaining of a listing for its Participating Shares) are estimated to amount to \$300,000 excluding V.A.T. They are payable by the Company, but will initially be borne by *the Managers and charged to the Company over a period not exceeding seven years.*

(k) There are no existing or proposed service contracts between any of the Directors and the Company but the Directors are entitled to receive remuneration as provided in the Articles of Association of the Company. The remuneration of the Directors for the period ending 30th September, 1985 is *estimated to amount to \$14,000.*

(l) The minimum amount which, in the opinion of the Directors, must be raised in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 of Great Britain, is the equivalent of \$3,000,000 (the whole of which must be raised by the initial issue) made up as follows:—

(i) Purchase price of property, nil;

(ii) Preliminary expenses, \$300,000 (or the equivalent thereof);

(iii) Repayment of monies borrowed for the foregoing, nil;

(iv) Working capital, \$2,700,000 (or the equivalent thereof).

In the event that the amount raised by the initial offer is less than the equivalent of *\$3,000,000 no Participating Shares of any class will be issued and all application monies will* be returned by 31st December, 1984.

(m) Coopers & Lybrand have given and have not withdrawn their written consent to the issue of this document with their report included in the form and context in which it is included.

(n) The Directors have applied to the Council of The Stock Exchange for 20,000,000 Participating Shares to be admitted to the Official List. It is the intention of the Directors to seek a listing for additional Participating Shares as appropriate.

(o) *The Custodian is a company incorporated and resident in Jersey. Its registered office is 39-41* Broad Street, St. Helier, Jersey, Channel Islands.

12. Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Company, the offices of the Managers in Guernsey and at the offices of Bischoff & Co., City Wall House, 79-83 Chiswell Street, London EC1Y 4TJ during normal business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 26th November, 1984:—

(a) the Memorandum and Articles of Association of the Company;

(b) the material contracts referred to in paragraph 10 above;

(c) the report and consent of Coopers & Lybrand referred to above; and

(d) the Companies Law (Cap.22) of the Cayman Islands as amended, under which the Company was incorporated.

Dated: 3rd November 1984.

Correspondent Bank

The Correspondent Bank of Schroder Unit Trust Managers International Limited for receipt or payment of subscription or redemption monies is:—

CURRENCY	BANK	ACCOUNT
Deutschemarks	Barclays Bank PLC, 6-8 High Street, St. Peter Port, Guernsey, Channel Islands. Telex: 4191671 (BARCGU-G)	Schroder Unit Trust Managers International Limited re. Schroder Portfolio Selection Fund Limited Account Number 3733 5540
Sterling	Barclays Bank PLC, 6-8 High Street, St. Peter Port, Guernsey, Channel Islands. Telex: 4191671 (BARCGU-G)	Schroder Unit Trust Managers International Limited re. Schroder Portfolio Selection Fund Limited Account Number 4083 1387
United States dollars	Barclays Bank PLC, 6-8 High Street, St. Peter Port, Guernsey, Channel Islands. Telex: 4191671 (BARCGU-G)	Schroder Unit Trust Managers International Limited re. Schroder Portfolio Selection Fund Limited Account Number 3866 1981

In order to comply with Japanese Ministry of Finance requirements the subscription and redemption monies of the Yen Currency Fund can only be paid in currencies other than Yen.

Application procedures

1. General

(a) Application may be made either by telex in the form set out below or on the Application Form. Applicants are advised to apply by telex wherever possible to avoid delay in the allotment of their shares.

(b) Cleared funds will normally be invested at the offer price per Participating Share ruling on the Subscription Day (see (d) below) after they are received by the Managers.

(c) Contract notes confirming the sale or allotment of shares are despatched as soon as possible. Share certificates will be despatched at the applicants' risk within one month.

(d) Subscription Days are normally any weekday which is a business day in Guernsey.

(e) The minimum initial subscription per class of Participating Shares is \$2,000 or its equivalent in other currencies although subsequent applications by existing holders for Participating Shares in the same class may be made for a minimum of \$1,000 or its equivalent in other currencies.

(f) The Company reserves the right to reject an application in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by post at the applicant's risk.

(g) The bid and offer prices of each of the classes of Participating Shares will, as soon as space is available, be published in the Offshore and Overseas Funds section of the London Financial Times.

(h) Foreign exchange transactions: where payments in respect of allotment or redemption of Participating Shares are tendered or requested in a currency other than that in *which the Participating Shares concerned are designated, the necessary foreign exchange transactions may be arranged by the Managers, on behalf of and for the* account of the applicant or shareholder without responsibility with respect to either the Company or the Managers.

2. Telex applications

In order to be allotted Participating Shares in the initial offer, a telex in the form set out below must be received by the Managers in Guernsey not later than **10.00 a.m. on 26th November, 1984.** Payment for the Participating Shares must be made to the appropriate Correspondent Bank account shown in the box above on or before **10.00 a.m. on 26th November, 1984.**

(a) Telex applications should be made in the following form (Telex number: 4191452):—

"To The Managers
Schroder Portfolio Selection Fund Limited,
c/o P.O. Box 273,
St. Peter Port,
Guernsey, Channel Islands.

I/We hereby apply for the issue to me/us of (state amount(s) and class(es) of Participating Shares) of Schroder Portfolio Selection Fund Limited (the "Company").

This application is made on the terms of the Company's Prospectus dated 3rd November, 1984 of which I/we have received a copy and subject to its Memorandum and Articles of Association.

For this purpose I/we have instructed (state name and address of paying bank) to remit (state amount and currency) for value on (state Subscription Day—see paragraph (d) above) to (state Correspondent Bank and account number*) under telephone advice to you for the account of Schroder Unit Trust Managers International Limited re Schroder Portfolio Selection Fund Limited.

I/We hereby authorise and request Schroder Unit Trust Managers International Limited to effect any foreign currency transactions which may be necessary to invest the application monies in the classes of Participating Shares indicated.

I/We agree to accept the same or any smaller number of Participating Shares in respect of which this application may be accepted, and I/we authorise you to place my/our names on the Register of Members of the Company in respect of the shares allotted to me/us.

I/We authorise you to send at my/our risk to me/us a certificate for the number of shares in respect of which this application is accepted to (state name and address), and a cheque for any monies returnable by post to (state name and address).

I/We hereby declare that the Participating Shares are not being acquired directly or indirectly by a U.S. person** nor in violation of any applicable law and they will not be owned beneficially either directly or indirectly or on behalf of any person resident in Guernsey, Alderney or Herm.

In the event of any of the particulars given in this telex ceasing to be true I/we undertake forthwith to notify Schroder Unit Trust Managers International Limited thereof.

From (state name, address, telephone and telex number of Applicant)."

* *A list showing details of the Correspondent Bank and account numbers to be used for the various currencies is set out in the box above.*

** *If you are unable to make this declaration, you may still be able in certain circumstances to subscribe for Participating Shares, but you should contact the Managers for details first. "A U.S. person" includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included in gross income for the purposes of computing United States federal income tax. For the purposes of this definition "United States of America" includes the United States of America, its territories, possessions and areas subject to its jurisdiction.*

(b) In addition you must instruct your bank to make the payment referred to in the telex for value on the appropriate Subscription Day as follows:—

"For value on (state Subscription Day) please pay the sum of (state amount and currency) by telegraphic transfer to (state name and address of Correspondent Bank and account number) for the account of Schroder Unit Trust Managers International Limited re Schroder Portfolio Selection Fund Limited. Please advise full details of this payment immediately by telephone to Schroder Unit Trust Managers International Limited (Telephone No: Guernsey (0481) 28750)."

3. Written applications

(a) The Application Form below should be completed and sent to:—

Schroder Unit Trust Managers International Limited,
P.O. Box 273,
Schroder House,
The Grange,
St. Peter Port,
Guernsey, Channel Islands.

(b) In addition, written applications should be accompanied by a remittance (in any of the currencies (except yen) listed under "Principal features") for an appropriate amount *by cheque or bankers draft payable to Schroder Unit Trust Managers International Limited. Payment may be made by telegraphic transfer for substantial amounts in the* terms as set out in paragraph 2(b).

Cleared funds are required to be received before being invested [see paragraph 1(b)]. It should be noted that cheques, particularly for currencies other than *sterling will take a long time to clear and applications will not be dealt with until notification is received from the Company's bankers that the cheque has been* cleared (see 1(b)). Accordingly, Participating Shares will not be allotted under the initial offer unless the accompanying cheque has been cleared by **10.00 a.m. on 26th November, 1984.**

SCHRODER PORTFOLIO SELECTION FUND LIMITED

APPLICATION FORM

Application (Please do not forget to sign this form)

AGENTS STAMP

To: Schroder Unit Trust Managers International Limited,
P.O. Box 273, Schroder House, The Grange, St. Peter Port,
Guernsey, Channel Islands

To: the Directors,
Schroder Portfolio Selection Fund Limited

Dear Sirs,

I/We hereby apply for the issue to me/us of the class/classes of Participating Shares of Schroder Portfolio Selection Fund Limited indicated below.

	No. of shares	Amount		No. of shares	Amount
American Fund			Hong Kong Fund		
American Smaller Companies Fund			International Fund		
Australian Fund			Japanese Fund		
British Fund			Japanese Smaller Companies Fund		
Deutschemark Currency Fund			Managed Currency Fund		
Dollar Currency Fund			Singapore and Malaysian Fund		
Dollar Fixed Interest Fund			Sterling Currency Fund		
European Fund			*Sterling Fixed Interest Fund*		
Gold Fund			Yen Currency Fund		

For this purpose I/we enclose herewith a cheque(s)/banker's draft(s) for .... made payable to Schroder Unit Trust Managers International Limited.

I/We hereby authorise and request Schroder Unit Trust Managers International Limited to effect any foreign currency transactions which may be necessary to invest the application monies in the classes of Participating Shares indicated.

This application is made on the terms of the Company's Prospectus dated 3rd November, 1984 of which I/we have received a copy and subject to its Memorandum and Articles of Association.

I/We agree to accept the same or any smaller number of Participating Shares in respect of which this application may be accepted, and I/we authorise you to place my/our names on the Register of Members of the Company in respect of the shares allotted to me/us.

I/We authorise you to send at my/our risk to me/us a certificate for the number of shares in respect of which this application is accepted to the address specified according to the delivery instructions set out in this form, and a cheque for any monies returnable *by post to the address first written below.*

I/We hereby declare that the Participating Shares are not being acquired directly or indirectly by a U.S. person (see note opposite) *nor* in violation of any applicable law and that they will not be owned beneficially either directly or indirectly or on behalf of any person resident in Guernsey, Alderney or Herm.

In the event of any of the particulars given in this form ceasing to be true, I/we undertake forthwith to notify Schroder Unit Trust Managers International Limited thereof.

DELIVERY INSTRUCTIONS
(Please tick the appropriate box)

(a) Please forward the certificate(s) to the first named holder ☐

(b) Please forward the certificate(s) to the agent named ☐

(c) Please forward the certificate(s) to the Bank and branch following: ☐

Bank Name and Address

DISTRIBUTION INSTRUCTIONS
(Please tick the appropriate box)

(a) Please pay to the first named holder below ☐

(b) Please reinvest in further Participating Shares ☐

(c) Please pay to the Bank, Branch and Account as follows: ☐

Bank Account Number

Bank Name and Address

APPLICATION DETAILS (Please use block capitals) FT3/10

1. Forename(s) in full
Surname (Mr/Mrs/Miss or Title)
Address (in full)

2. Forename(s) in full
Surname (Mr/Mrs/Miss or Title)
Address (in full)

3. Forename(s) in full
Surname (Mr/Mrs/Miss or Title)
Address (in full)

4. Forename(s) in full
Surname (Mr/Mrs/Miss or Title)
Address (in full)

Signature(s) of all persons mentioned in the application details:

Note: A Corporation should complete under hand by a duly authorised officer who should state his representative capacity.

1 Date

2 Date

3 Date

4 Date

NOTE

"A U.S. person" includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included in gross income for the purposes of computing United States federal income tax. For the purposes of this definition "United States of America" includes the United States of America, its territories, possessions and areas subject to its jurisdiction.

If you are unable to make this declaration, you may still be able in certain circumstances to subscribe for Participating Shares, but you should contact the Managers for details first.

THE WEEK IN THE MARKETS

Atlantic crossings

Unlisted Securities Market

BY WILLIAM DAWKINS

THE USM took on a distinctly transatlantic flavour this week with the arrival of one U.S. company, and in a separate flotation, the first issue ever to be sponsored by an American bank.

CVD Incorporated, a Delaware-based maker of materials used for infra-red windows, lenses and *other optical* elements, is the fourth U.S. group to join the USM, and the signs are that it will not be the last.

A number of new issue sponsors, including Phillips and Drew, CVD's stockbroker, say *they are being approached more* frequently by American entrepreneurs who are considering the USM as an alternative to their own over-the-counter market, even though the U.S. market is almost universally considered to be the most sophisticated in the world.

Meanwhile, Citicorp International Bank is sponsoring the placing of Instem, a Staffordshire-based electronics group, and hints that there are "several" more to come from its 30-company-strong UK venture capital portfolio. The most likely candidate for Citicorp's *next USM issue, possibly in* mid-1985 is a British frozen foods business with annual sales of £28m.

"Our view of the USM is very positive," says Michael Smith, senior investment manager *with Citicorp Venture Capital.* "It has proved that it is very well established, and it is certainly more advanced than other secondary markets in Europe."

Smith argues that the USM *could eventually become similar* to the U.S. National Association of Security Dealers Automated Quotations system (Nasdaq) in which more than 1,600 stocks are traded nationwide through a computerised dealing network.

The twin arrival of Citicorp and CVD is probably coincidental. But it does invite the question of how internationally competitive the USM is becoming as it grows to maturity.

Robert Donadio, CVD's research scientist chairman, says he chose the USM because the group is planning to open a UK marketing division next year and because flotation costs were less than for a quotation *on the U.S. over-the-counter* market. Even so CVD paid its professional advisers £400,000 to arrange a placing of around £3m worth of shares.

CVD's flotation is possibly the most expensive ever on the junior market taking costs as a proportion of capital raised. Synterials, a Dutch producer of synthetic industrial materials, paid £1.5m to join the club last December, but that was only 7.5 per cent of the £20m it raised while CVD's fee came to a sobering 13.3 per cent of the issue proceeds.

Costs of that scale reflect the complexity involved in bringing a foreign business operating under alien tax and company regulations, to the London market. CVD staunchly denies that it took any other criteria into account when choosing the USM, but the fact remains that U.S. regulatory requirements are far stiffer than those set by *the London authorities.* UK sponsors do not follow the American habit of taking equity warrants in their flotation candidates, which may provide another incentive.

Moreover, CVD and other U.S. technology companies considering whether to follow its example are unlikely to have overlooked the fact that—under present market conditions at least—they should achieve a better rating on the USM.

High technology stocks have received a battering recently on both sides of the Atlantic, but the damage appears to have been more severe in the U.S. Technology shares are currently trading in *New York* on historic earnings multiples of around 17, according to Brian Toms of stockbrokers Grieveson Grant, while the average multiple on the USM electronics index is 28.5.

An index of 600 American high technology shares compiled by Securities Research Company, a U.S. statistical group, declined by almost 70 per cent in the year to July. The USM electronics index *actually gained* by nearly 22 per cent over the same period, and that was after a sharp drop in share prices earlier in the year, ironically led by the index's biggest constituent, Acorn Computer, which is struggling to break into the U.S. micro computer market.

"If you can get a better rating, why not come here?" asks Robin *Stormonth-Darling,* chairman of the Stock Exchange's quotations committee. "So long as they meet our criteria, we are perfectly happy for U.S. companies to come here."

Even if an *American* company can raise enough capital from a USM flotation to justify the costs, it still faces the longer-term problem of how to maintain enough contact with UK investors to support its *share price.*

No American investors will be allowed to buy its shares until a year after flotation, according to U.S. securities and exchange commission rules. Many domestically based USM *stocks have been neglected as* it is because turnover in their shares is too small to make it worth brokers' while to research them.

"We receive a number of inquiries from the U.S., but I am a bit concerned about the obscurity factor," says David Cohen of brokers Simon and Coates, specialists in high technology issues. "As the City changes over the next few years, brokers will become increasingly *commercial* about those companies in which they maintain a continuing research interest."

Anticipating lower interest rates

LONDON

ONLOOKER

The message of lower dollar interest rates and a firmer pound on the foreign exchange markets was enough to fuel the City's optimism that domestic interest rates are ripe to be cut, perhaps as early as next week. The gilt market was in fine fettle yesterday with gains of up to £2. Equities, which had been strong all week, ended on an equally firm note taking the FT-SE 100 Index up to a new high last night with a 3½ per cent advance over the week as a whole.

Apart from the general mood of confidence in the City, helped by *the fairly painless news* coming out of the miners' strike and the oil industry, institutions are more willing to feed cash into the equity market at present because it looks like the Telecom offer for sale will not dent their pockets nearly as much as they had anticipated. Many of them have over-provided for the mammoth issue and it is not so *clever—to* be *in cash* at the moment.

Shoes and bikes

The market has been watching Ward White expand its shoe retailing base by acquisition *both in the UK and overseas for* some while but the group managed to raise a few eyebrows in the City when it bought Halfords, the motor accessories and bicycles chain, from Burmah Oil for £52m. From Burmah's point of view the deal represents a chance to inject cash into a debt-laden balance sheet but the combination of shoe retailing with Halfords does not reveal any stunning logic.

Ward will need to embark on a steep learning curve but Halfords has been poorly run for years and at least Ward should be able to impose its own management systems fairly quickly to get the sales and trading margins moving the right way. Also a large number of Halfords' sites could be transformed into footwear outlets *with very little difficulty.* Ward is believed to be keen to launch a chain of more up-market shoe stores and acquiring Halfords is an easy route a quantum leap in High Street square footage.

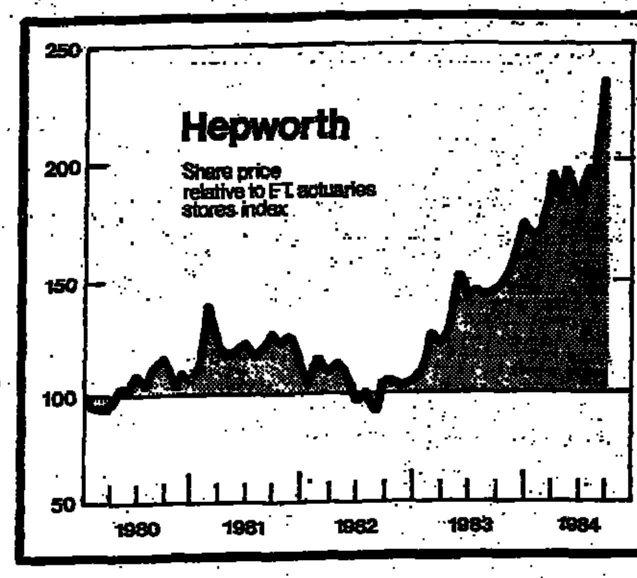
And to a large extent the acquisition is a property deal. Total net assets are put at *£52.3m and within that property* is worth £34.5m. Ward is paying £32.5m up front—£20m of which will be covered by a share placing—with the balance spread over to February 1989. Ward has also said it will raise *£10m through sales and lease-*backs to keep its gearing down to around 55 per cent.

It looks a rather neat package for Ward if the market accepts that its management team is made up of accomplished re-*tailers who can turn their hands* to various forms of shopkeeping. So far most investors seem willing to adopt that view but Ward does not want to be seen as running too fast down the acquisition route—the image of Hawley, for example, is not to be envied.

Next in front

It was rather depressing mulling over Marks and Spencer's poor showing from ladies *fashion clothing last week* but at least the market has now been treated to the sight of what a retailer can achieve if the formula is right. J. Hepworth has announced full year profits of £13.6m against £8.6m and un-*doubtedly* the Next chain has played a leading role in that improvement.

So successful has the Next *formula* been—*quality* and *fashion* at reasonable prices—that Next for Men has been launched and is already trading from 45 outlets. Talk within the company suggests that Next catering and Next household *textiles could follow.* Hepworth is obviously going to milk the concept for all it is worth and rightly so. It has the High Street property base to make the most of its new found success and it has a good lead over the competition.



Yet Hepworth is not alone in recognising the possibilities of creating the right image and *keeping up with the fashion* changes to stay in the forefront. Large and small clothing retailers are creating specialist chains. Even a relative minnow such as Ellis and Goldstein has found fresh fortunes with its Dash concept—shops within shops specialising in leisurewear for women and children. Interim profits this week *jumped from £480,000 to £1.3m.* Dash for men is now being launched.

If the retailing scene lacks an obvious competitor to Next at the present that is only because the other majors are *still formulating their strategies* in the wake of Hepworth's obvious winner. Next may have the field to itself at the moment but that cannot last indefinitely.

British Home Stores, for example, could launch quite an effective attack on the Next market if it was of a mind, while arch rival Burton has already opened its own womenswear chain, Principals.

Burton's effort is targeted towards the 25-to-40-year-old segment of the market and so far at least is not a direct challenge to Hepworth—but times change. Still, in the foreseeable future Next still retains the market in the palm of its hand.

The market's enthusiasm for Hepworth is totally justified and profits this year could top £19m which drops the earnings multiple to around 13—far from excessive given the growth rate. Hepworth's share price has *further to go, though just how* Next will perform once the imitators are a couple of doors down the High Street is still an open question.

Tarmac goes west

Tarmac has made its biggest and best acquisition in the U.S. to date. The group has spent $79m (£66m) on buying Lone Star's quarrying, ready-mixed concrete and block making activities in Florida. Tarmac has been modestly acquisitive in the U.S. over the last four years but this purchase virtually doubles the group's capital employed in the States to a quarter of group total.

Principally the deal this week is an asset buy to secure a ready supply of high grade aggregates to feed its existing businesses. For its money Tarmac will get a large limestone quarry just west of Miami currently with an output of 6m *tonnes a year and reserves of* more than 100m tonnes, and three smaller quarries with an extraction rate of 0.5m tonnes annually. There are 33 ready-mixed concrete plants to add to its existing dozen and 9 concrete block making plants to add to its own four businesses. Tarmac will become one of the biggest players in the Florida region with around *10* per cent of the ready-mixed market and a similar percentage in concrete block making.

Assuming regulatory permission from the U.S. authorities the deal should be completed before Christmas and Tarmac has provisionally placed 14.3m shares at 460p each with UK institutions to finance the purchase.

By 1985 as much as a 10th of group profits could arise in the U.S., so no longer can the City bemoan its lack of overseas earnings exposure. Tarmac *cannot expect sentiment* to change overnight but the move should prompt a more favourable view of the shares eventually.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984 High	1984 Low	
F.T. Govt. Secs. Index	82.28	+ 1.65	83.77	75.72	Sterling/Int. rate optimism
F.T. Ind. Ord. Index	907.6	+34.4	922.8	755.3	Base rate cuts in offing
F.T. Gold Mines Index	504.2	−40.6	711.7	458.7	Rand weakness against dollar
Alpine Soft Drinks	26½	+ 9½	36½	17	Speculative demand
Atlantic Resources	58	−40	142	46	Dry well rumours
BOC Group	266	+27	307	220	U.S. arc welding interests sold
Batleys of Yorkshire	76	−14	92	66	Chairman quashes bid speculation
Burton	357	+30	357	212	Consumer spending trends
Cable & Wireless	340	−15	387	270	Talk of bearish circular
Cadbury Schweppes	156	+10	158	115	Domestic & U.S. demand
Carless Capel	192	+12	247	168	Bid for Premier fails
Clarke Nickolls	150	+23	155	124	Speculative demand
Coates Bros. A	118	+29	118	70	Good interim figures
Hepworth (J.)	388	+66	388	210	Good results and scrip issue
Martonair	280	+30	280	212	Annual figures
Meekatharra	87	+22	93	22	Coal contract speculation
NatWest. Bank	580	+22	620	403	U.S. demand
Neill (James)	117	+13	117	42	Encouraging progress report
Thorn EMI	480	+52	643	375	Bid or de-merger speculation
Ward White	164	+19	167	101	Acquisition of Halfords

Good times for the bond investors

NEW YORK

WILLIAM HALL

EVER SINCE its August rally, Wall Street has been trading in a fairly narrow range around the 1,200 level and this week has been *no exception* with trading volume remaining relatively low. Apart from a brief spurt in mid-October, daily trading volume on the New York Stock Exchange has normally been running at under 100m shares a day.

By Thursday evening, the Dow Jones industrial average had recouped just over half of last week's 21-point loss but the performance of the equity market has been no match for the resilience of the U.S. bond market. This week prices of fixed interest securities have been moving ahead sharply as *investors become increasingly* convinced that U.S. interest rates are heading significantly lower and the Fed will be forced to ease its monetary stance further to avert the onset of an early recession.

Prices of long-term Government bonds rose by over 2 percentage points in the first four days of this week and by Thursday evening Treasury 12½ per cent, due 2014, was being quoted at 108⅞ to yield 11.48 per cent. The same paper was trading at under 100 at the end of August.

The contrast between the *behaviour of the bond market* and the equity markets over the last two and a half months is marked. U.S. bond prices have moved ahead sharply as interest rates have tumbled. At the end of August three month Treasury Bills were yielding 10.61 per cent. On Thursday the rate slipped 9 per cent.

The Fed funds rate, a key *barometer of official thinking* on monetary policy, has shed close to 150 basis points and long-term Government bond yields are over 100 points lower in late August. The Dow Jones industrial average was *flirting with the 1240 level but* since then has moved sideways.

Since late spring investors in the U.S. bond market have fared much better than the punters in the Equity market. Bond prices are up by around a fifth while the stock market has risen by little more than 100 points and is still close to 70 points off its early January *peak of 1286.64.*

There is no shortage of explanations for the bond markets recent firmness. Fears about a reawakening of inflationary pressures have taken a back seat. Most analysts believe the speed with which short term interest rates have fallen in recent weeks indicats that the Fed has been *easing its monetary stance* and many argue that the latest money supply figures, which essentially show that there has been no growth since June, will encourage the Fed to loosen its grip further when it holds its Federal Open Market Committee (FOMC) meeting next week to plot its monetary strategy for the rest of the year.

Because of the uncertainties about the extent of the slowdown in the U.S. economy this week's crop of economic statistics have taken on an unusual *importance in many* investors' eyes. The September leading economic indicators, released on Wednesday, left the stock markets confused.

The good news was that the September figure showed a solid *0.4 per cent rise but the bad* news was that the August figure, which had initially shown a 0.5 per cent increase, had been revised to show a 0.1 per centage point fall. The August drop in the indicator follows decline in the June and July figures prompting many analysts to speculate that the U.S. economic lull would be transformed *into a recession.*

David Jones, chief economist at Aubrey G. Lanston, believes that the Fed has every reason to ease its monetary group. He sees the summer's economic lull extending into the fourth quarter and is worried that the "dramatic" weakening in the U.S. money supply growth means that the economy "could hit the skids" by early next year.

Meanwhile, in the final days before the election Treasury Secretary Donald Regan is mounting a campaign to persuade the Fed to allow U.S. *interest rates to drop* still further. Speaking at the New York Stock Exchange on Thursday, Mr Regan made it very clear that as far as he was concerned the current economic data does not indicate that U.S. prime rates should be as high as 12 per cent. He warned that if the Fed does not ease its monetary stance soon: "we'll have to have a few more words with them."

The combination of recent economic data plus the tough talk of the Administration, has led several analysts to drop their forecasts of long-term rates. E. F. Hutton, for example, in its latest investment summary, says that it expects long-term rates to reach 11 per cent by the end of the year, compared with its earlier forecast of 11.5 per cent.

The news from the corporate sector has not been as good as Wall Street would have liked and this week saw the release of further disappointing results from several big companies.

Pan Am, the big U.S. airline, reported a 93 per cent fall in *its third quarter net* income to 5 cents a share. Its performance contrasts with the results of some other U.S. airlines and comes at a time when the industry generally should be benefiting from lower fuel prices and buoyant demand.

In the oil sector of the better known companies reported sharp declines in third quarter *earnings. Texaco and Chevron,* both of which have had the benefit of big acquisitions this year (Getty and Gulf Oil, respectively) reported declines of close to a third. Chevron reported third quarter earnings of $1.0 per share and Texaco reported $0.91 per share.

MONDAY	1201.41	− 3.54
TUESDAY	1217.31	+15.90
WEDNESDAY	1207.38	− 9.93
THURSDAY	1217.09	+ 9.71

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All references herein to "$" and "dollars" and "c" and "cents" are to currency of the United States of America, except where otherwise expressly stated.
The consent of the Finance and Economics Committee of the States of Jersey under the Control of Borrowing (Jersey) Order, 1958 (as amended) has been obtained to the issue of shares. It must be distinctly understood that in giving consent the Committee does not take any responsibility for the financial soundness of any schemes or for the correctness of any of the statements made or opinions expressed with regard to them.
Application has been made to the Commissioner of Securities, Hong Kong for authorisation of the Fund as a mutual fund corporation, pursuant to the Securities Ordinance (Cap 333) of Hong Kong. In order to obtain this authorisation, it may become necessary to make changes to the Articles of Association and other constitutive documents of the Fund which can be made only with the approval of shareholders. If this authorisation is granted, application will be made to register a prospectus of the Fund with the Registrar of Companies in Hong Kong.
The Directors may decide also to apply for registration of the Fund in certain other jurisdictions and such applications may require consequential changes to the Articles of Association of the Fund which can be made only with the approval of shareholders.
No application has been made to any stock exchange for permission to deal in or for listing of the shares of the Fund, but the Directors may decide at some future date to seek a stock exchange listing.
The Directors of the Fund have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.
A copy of this Prospectus and copies of the documents specified herein have been filed with the Registrar of Companies in London.

IMPORTANT: Shares in the Fund are offered on the basis of the information and representations contained in this Prospectus or the documents specified herein and no other information or representation relating thereto is authorised. *If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.*

Save & Prosper Global Portfolio Fund Limited

Save & Prosper (Jersey) Limited on behalf of the Fund offers for subscription 19,990,000 shares at US$5 per share

PROSPECTUS 1st NOVEMBER 1984

The Fund
Save & Prosper Global Portfolio Fund Limited,
P.O. Box 73, 45 La Motte Street,
St. Helier, Jersey,
Channel Islands.

Managers
Save & Prosper Management (Jersey) Limited,
P.O. Box 73, 45 La Motte Street,
St. Helier, Jersey,
Channel Islands.

Offeror, Administrator, Registrar and Secretary
Save & Prosper (Jersey) Limited,
P.O. Box 73, 45 La Motte Street,
St. Helier, Jersey, Channel Islands.
Telephone: Jersey (0534) 73933.
Telex: 4192226 SAVPRO G.
Facsimile: Jersey (0534) 74576

Investment Adviser
Save & Prosper Investment Management Limited,
4 Great St. Helens,
London EC3P 3EP, U.K.

Custodian
National Westminster Jersey Trust Company Limited,
P.O. Box 6,
23/25 Broad Street,
St. Helier, Jersey,
Channel Islands.

Legal Adviser
Ogier & Le Cornu,
Pirouet House, 14 Union Street,
St. Helier, Jersey,
Channel Islands.

Auditors
Coopers & Lybrand
(Chartered Accountants),
La Motte Chambers, La Motte Street,
St. Helier, Jersey,
Channel Islands.

Directors of the Fund
Cholmeley Joseph Messer (Chairman),
4 Great St. Helens,
London EC3P 3EP, U.K.
(Chairman, Save & Prosper Group Limited).

Jurat Peter Gilroy Blampied, F.C.A.,
St. Clair,
Pontac, St. Clement,
Jersey, Channel Islands.
(Chartered Accountant).

John Douglas Campbell,
Thirty Cedar Avenue,
Hamilton 5-24, Bermuda.
(Partner, Appleby, Spurling & Kempe, Barristers & Attorneys).

Peter John Manser, F.C.A.,
4 Great St. Helens,
London EC3P 3EP, U.K.
(Managing Director,
Save & Prosper Group Limited).

William Norman Rumball,
29 Broad Street, St. Helier, Jersey,
Channel Islands.
(Partner Le Masurier, James & Chinn, Stockbrokers).

John Richard Talbot,
P.O. Box HM 1735, Front Street,
Hamilton 5, Bermuda.
(Deputy General Manager,
The Bank of Butterfield
Executor & Trustee Company Limited).

A worldwide investment portfolio with active professional management for growth

The wide choice of specialised investment funds now available poses a series of questions which few private investors feel qualified to answer:—

* which sector or market will perform best?
* what mix of funds provides the best growth prospects?
* when should one fund be switched for another?

Global Portfolio Fund delegates the problem facing the private investor to professional managers. With a portfolio of selected funds, which are themselves professionally managed, the Managers are able to stand back from individual company selection and concentrate on market trends.

The Fund will be actively managed between investment funds which concentrate on particular markets or sectors. The aim is to respond swiftly to changing conditions in order to maximise capital growth.
The Fund offers the following advantages:—

* **Investment spread**
The Fund's portfolio can be invested, in proportions determined by the Managers, in mutual funds or unit trusts from an extensive range covering the world's major stock markets. This wide range includes funds giving access to equity markets across the world, fixed-interest securities, deposits and a gold fund.

* **Professional investment advice**
The key to the Fund's potential is the expertise required to identify successful opportunities before they arise. Save & Prosper Investment Management Limited, a wholly owned subsidiary of Save & Prosper Group Limited, has been appointed Investment Adviser to the Fund, because it has exactly this expertise. At 1st October 1984 the Group had $2.3 billion of funds under management and the Adviser is able to draw on the resources of a worldwide network of research, ideas and contacts to facilitate the provision of strategic investment advice.

* **Ease of buying and selling**
Shares in the Fund normally can be bought and sold on any business day in Jersey. Initially shares will be priced in dollars, but subscriptions will also be accepted in pounds sterling, deutschmarks and yen. Such subscriptions will be sold for dollars and the net proceeds invested in the Fund.

The Directors and Managers of the Fund draw the attention of prospective investors to the possible volatility of an investment in the Fund and the income from it. It should be remembered that the price of shares in the Fund and the income from them can go down as well as up.
The Fund was incorporated on 24th October 1984 with limited liability in Jersey *under the provisions of* the Companies (Jersey) Laws, 1861 to 1968. It operates on similar principles to a mutual fund or unit trust and therefore can issue and redeem its own shares.

INVESTMENT OBJECTIVE AND DIVIDEND POLICY

The objective of the Fund is to provide capital growth through an *actively managed portfolio* *invested selectively, in proportions determined* by the Managers, in unit trusts, mutual funds or similar schemes. Initially the investments will be selected from the range of funds managed by Save & Prosper International Limited, Bermuda, Save & Prosper Management (Jersey) Limited, Save & Prosper Securities Limited, the UK unit trust management company of Save & Prosper Group, and Jardine Fleming Investment Management Limited, Hong Kong. The Fund has no income objective.
The Managers will ensure that no double-charging arises from the Fund investing in other funds and unit trusts managed by the Managers or connected persons of the Managers. (Full details are given in sections 8 and 14 of General Information.)
It is proposed that each year on 15th December (commencing on 15th December 1985) substantially the whole of the net income of the Fund will be paid to shareholders by way of an annual dividend. It should be remembered that the objective of the Fund is capital growth and in pursuing this objective the Directors do not expect to maintain or to provide an increasing level of dividend.
In view of the possibility of widely fluctuating levels of income, arrangements are available for dividends to be reinvested in the purchase of further shares.
The Articles of Association of the Fund contain certain investment and borrowing restrictions, the relevant provisions of which are set out in sections 8 and 9 of General Information.

INITIAL OFFER

19,990,000 shares of 1 cent each in the Fund are now offered at a price of $5 per share, payable in full on application. The shares offered are Participating Redeemable Preference Shares and are available in registered form only.
Shares are priced in dollars but sterling, deutschmarks or yen may be subscribed and such currencies will be converted at the exchange rate ruling on Monday, 26th November 1984. The minimum initial investment is $1,500 or the equivalent in pounds sterling, deutschmarks or yen.
The Subscription Lists for the initial offer will open in Jersey at 10 am on Tuesday, 6th November 1984 and will close at 5 pm in Jersey on Friday, 23rd November 1984. Allotment will take place on Monday, 26th November 1984.

All application forms and cheques or banker's drafts, made payable to Save & Prosper (Jersey) Limited should be sent to:—

Save & Prosper (Jersey) Limited, P.O. Box 73, 45 La Motte Street, St. Helier, Jersey, Channel Islands.

Duly completed applications with cheques received and accepted by Save & Prosper (Jersey) Limited are irrevocable.
A letter acknowledging receipt of each application will be sent, by airmail if appropriate, normally within seven days. Following allotment, agents, or applicants if there is no agent, will be sent a contract note showing the shares allotted and the cost. In the case of applications received from recognised agents a cheque for commission will be forwarded by the end of December 1984. *Any excess application monies will be returned to the* applicants or their agents without interest. Registered certificates will be despatched by Wednesday, 19th December 1984.
The right is reserved to refuse all applications and to return subscription monies in full (without interest) to applicants or their agents if by 23rd November 1984 $2 million has not been received in respect of the initial offer.

The Managers
The Fund is managed by Save & Prosper Management (Jersey) Limited, a wholly owned Jersey subsidiary company of Save & Prosper Group Limited of London. Further information concerning the Managers is given under General Information below.

Custodian
National Westminster Jersey Trust Company Limited—a member of the National Westminster Bank Group, one of the largest banking groups in the world—P.O. Box 6, 23/25 Broad Street, St. Helier, Jersey, Channel Islands, has been appointed Custodian of the securities and cash of the Fund.

Eligible investors
Anyone may buy shares in the Fund, provided the laws of his country of citizenship, residence or domicile permit him to do so.

Form of shares
The shares in the Fund being offered are Participating Redeemable Preference Shares which are currently available in registered form only. All such shares have equal rights and privileges and are entitled to an equal share of the Fund on liquidation. Any fraction of a share may be held or transferred or redeemed subject to the conditions laid down in the Articles of Association.

Dealing days
Shares in the Fund normally can be purchased or redeemed on any business day in Jersey on which the Stock Exchange, London is open for business ("dealing day").

Application for shares—after initial offer
After the initial offer has closed, shares in the Fund will continue to be available for purchase on dealing days.
Initial purchases in the Fund must be for not less than $1,500 or the equivalent in pounds sterling, deutschmarks or yen. Subsequent purchases must be for at least $500 or the equivalent in acceptable currency.
Completed applications for the purchase of shares should be sent to the Administrator of the Fund, Save & Prosper (Jersey) Limited, P.O. Box 73, 45 La Motte Street, St. Helier, Jersey, Channel Islands, together with a banker's draft or cheque made payable to Save & Prosper (Jersey) Limited or a completed Bank Instruction Letter. Subject to acceptance, shares will be allotted on the day of receipt of application or the next dealing day, if the day of receipt is not a dealing day.
Following allotment, agents, or applicants if there is no agent, will be sent by airmail, if appropriate, a contract note showing the number of shares allotted and the cost. Share certificates normally will be despatched within 28 days.

Redemption of shares
A shareholder normally may sell back his holding of shares, in whole or in part, on any dealing day, at the prevailing bid price per share.
Share certificates, with the forms of request for redemption on the back of the certificates duly completed, should be received at the registered office of the Fund not later than the close of business on the dealing day on which the redemption is to be effected.
The proceeds of a redemption will be paid by cheque in dollars and normally will be posted within seven business days after the day on which the redemption takes effect or after the day on which the Administrator receives the relevant endorsed certificate(s), if this is later.
A partial redemption of shares may be refused if as a result of such redemption a shareholder would become the holder of shares having a value of less than $1,500.

Transfers
Requests for registration of transfers normally will be registered within seven days of receipt of the appropriate certificate(s) together with a duly completed form of transfer.

Temporary suspension of issues and redemptions
The determination of the prices of shares in the Fund may be suspended during a period when a relevant stock exchange or other market is closed or trading thereon is restricted *or other circumstances exist, which, in the view of the Directors, make it impracticable* to dispose of or value any of the Fund's investments. The consent of the Custodian to any such suspension will be required if the Hong Kong Articles become operative (see section 7 of General Information). Notices of any suspension and its termination will be published in the Jersey Evening Post and the Financial Times, London.
During the period of suspension no shares may be issued or redeemed but the Directors may authorise a part payment or payment on account upon redemption of shares.
In the event of a suspension, a shareholder may withdraw his request for the purchase or redemption of shares provided such withdrawal is received before the termination of the period of suspension. Where the request is not so withdrawn the purchase or redemption of the shares will be made on the dealing day next following the end of the suspension.

Pricing of shares
The offer price at which shares may be purchased by investors and the bid price at which shares may be redeemed are based on the net asset value of the shares and include rounding adjustments for the benefit of the Managers.
Initially shares will be priced only in dollars. However, the Directors have power to introduce pricing in sterling or other currencies and such pricing will be calculated in accordance with a method agreed by the Directors with the Auditors. In the event that pricing in other currencies is introduced, the Fund will bear the costs of any foreign currency transactions effected for the purpose of issuing or redeeming any shares in any such other currency and any losses or gains arising on any foreign currency conversions effected for such purpose shall be for account of the Fund.
The determination of the assets and liabilities of the Fund and the calculation of the offer and bid prices of shares are described in sections 5 and 6 of General Information.

Management and Fund charges
For their services as Managers, Save & Prosper Management (Jersey) Limited receive the initial charge included in the offer price of shares. The initial charge is calculated by dividing the bid price per share by 0.925, rounding up the result by not more than 1% and deducting the bid price per share. In practice the initial charge is broadly equivalent to 7½% of the offer price. In addition, the Managers receive a fee payable monthly (out of which is borne the fee of the Investment Adviser) calculated daily on the net asset value of the Fund currently based upon an annual rate of 1%. There is provision in the Management Agreement for an increase in this fee up to the equivalent of 1¼% per annum of the value of the net assets of the Fund upon the Managers giving six months notice to shareholders. For full details see section 14(2) of General Information.
Additionally, the Fund pays a fee to the Custodian based on the value of the net assets of the Fund, and the expenses of the Managers and Custodian will be payable by the Fund, as will the charges and expenses of the Administrator, Registrar and Secretary and Directors' and Auditors' fees. The Fund also bears all its other operational costs including the cost of shareholders' reports, offers of shares (including prospectuses and similar documents), postage, telephone, telex, bank charges, legal fees and disbursements. The preliminary expenses of the Fund (which include all expenses incurred in relation to the formation of the Fund, the initial offer of shares and the application to the Commissioner for Securities, Hong Kong, for authorisation of the Fund as a mutual fund corporation in Hong Kong and the preparation of any prospectus in connection with such application) initially will be borne by the Managers and recovered from the Fund at the rate of 0.1% per annum of the Fund's assets. All fees and expenses are accrued daily in the pricing of shares.
Details of the fees payable to the Custodian and to the Administrator, Registrar and Secretary are set out in section 14 of General Information.

Taxation
Although the Fund is a Jersey corporation, it is resident and controlled outside Jersey for taxation purposes.
The Comptroller of Income Tax in Jersey has confirmed that income of the Fund arising outside Jersey and deposit interest receivable in Jersey are exempt from Jersey income tax. The Fund's liability to Jersey taxation therefore is limited to corporation tax, currently £300 per annum. Dividends are payable without any deduction of tax at source to shareholders resident outside Jersey, but Jersey residents will be paid their dividends net of Jersey tax (currently 20%) and this tax will be paid to the proper officer for the receipt of taxes.
Jersey does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties. No stamp duty is levied in Jersey on the issue, transfer or redemption of shares in the Fund save that stamp duty is payable upon the obtaining of a Grant of Probate or Administration in Jersey which is necessary in order to deal with the shares of a deceased shareholder.
Holders of shares who are resident in the United Kingdom for tax purposes may, depending on their individual circumstances, be liable to UK income tax or corporation tax in respect of dividends or other income distributions of the Fund. Holders (other than those holding shares as dealing stock who are subject to different rules) who are resident or ordinarily resident in the UK, may, unless exempt, be liable to UK capital gains tax or corporation tax in respect of gains arising from the disposal or redemption of shares.
The UK Finance Act 1984 includes provisions to ensure that when investors resident in the UK dispose of holdings in offshore or overseas funds an appropriate amount of income or corporation tax is paid. Any gain made on a disposal of shares or other interests in an offshore or overseas fund will be charged to income or corporation tax. However, the charge will not apply where it is established that a fund distributed at least 85% of its income net of certain expenses throughout the period for which the interest was held and complies with certain other criteria relating to its underlying investments. It is intended that the Fund should comply with all these criteria.
The foregoing is based on the Managers' understanding of the law and practice currently in force in Jersey and the United Kingdom and is subject to changes therein. Whilst the Managers believe this to be correct they do not guarantee it nor can liability be accepted for the effects of future judicial decisions or of any changes in legislation or practice. Investors, however, should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling shares in the Fund under the laws of their country of citizenship, residence or domicile.

Meetings and reports
The General Meetings of shareholders in the Fund normally will be held in Jersey. Notices of such meetings (specifying the time, date, place and agenda) will be posted to shareholders at their addresses shown in the register of shareholders at least 14 days prior to the dates of the meetings.
The Annual General Meetings of shareholders, at which will be considered the annual audited accounts of the Fund made up to 31st October, will be held not later than six months after the end of the Fund's financial year.
An annual dividend, as recommended by the Directors, will be despatched to registered shareholders with the audited accounts each December. In addition, half-yearly reports will be prepared and despatched each June.

Publication of prices
Prices of shares in the Fund are published daily in the Jersey Evening Post and the Financial *Times, London.*

Insurance policies and savings plans
A monthly investment plan and regular and single premium life insurance policies may be linked to the Fund. Full details of the plan may be obtained from Save & Prosper (Jersey) Limited, P.O. Box 73, 45 La Motte Street, St. Helier, Jersey, Channel Islands. Details of the policies may be obtained from Save & Prosper International Insurance Limited, P.O. Box HM 1735, Hamilton 5, Bermuda or from the office of the Administrator, Save & Prosper (Jersey) Limited.

SAVE & PROSPER
INTERNATIONAL

General Information

The Managers:

Save & Prosper Management (Jersey) Limited

Incorporation: Save & Prosper Management (Jersey) Limited (formerly Ebor Management Limited), the Managers of the Fund, was incorporated on 19th February 1965 with limited liability in Jersey under the provisions of the Companies (Jersey) Laws, 1861 to 1969. Its registered office is 45 La Motte Street, St. Helier, Jersey, Channel Islands. Its authorised and fully paid-up issued share capital is £100,000. Its Auditors are Coopers & Lybrand, Chartered Accountants, La Motte Chambers, La Motte Street, St. Helier, Jersey, Channel Islands.

Directors: Its Directors are:—
Jurat P. G. Blampied, F.C.A. (Chairman), St. Clair, Pontac, St. Clement, Jersey, Channel Islands.
Advocate A. Clyde-Smith, Lockley, Vale à l'Eveque, Trinity, Jersey, Channel Islands.
F. J. de Veulle, F.C.A., Ordnance House, 31 Pier Road, St. Helier, Jersey, Channel Islands.
A. H. Doggart, M.A., 4 Great St. Helens, London EC3P 3EP, U.K.
P. A. Field, F.C.A., 45 La Motte Street, St. Helier, Jersey, Channel Islands.
G. H. Hamon, Collaroy, Samares Coast Road, St. Clement, Jersey, Channel Islands.
C. J. Messer, 4 Great St. Helens, London EC3P 3EP, U.K.
W. N. Rumball, 29 Broad Street, St. Helier, Jersey, Channel Islands.
J. G. Tregoning, 4 Great St. Helens, London EC3P 3EP, U.K.
W. Webster, Val au Bec, Les Routeurs, St. Peter, Jersey, Channel Islands.

The Fund:

1. Incorporation: Save & Prosper Global Portfolio Fund Limited ("the Fund") was incorporated on 24th October 1984 with limited liability in Jersey under the provisions of the Companies (Jersey) Laws, 1861 to 1968.

2. **Registered office:** The Fund's registered office is 45 La Motte Street, St. Helier, Jersey, Channel Islands. The Fund has no place of business in the United Kingdom.

3. **Directors:** The Directors of the Fund are listed at the beginning of this Prospectus. There is no shareholding qualification for a Director of the Fund.

4. **Authorised capital and class rights:** The Fund has an authorised share capital of $200,000 divided into 100 Founders' Shares of $1 each and 19,990,000 further shares of 1 cent each which pending issue are Unclassified Shares, and which may be issued as Participating Redeemable Preference Shares ("Participating Shares") or as Nominal Shares.

The rights attaching to the various classes of shares are as follows:—

Founders' Shares The Founders' Shares exist solely to comply with Jersey Law, which requires that the Participating Shares have a preference over another class of capital in order that they may be redeemable. The Managers, therefore, have subscribed all the Founders' Shares in order to meet this requirement. Founders' Shares carry no rights to dividends and are not redeemable. In a winding-up, the Founders' Shares rank for repayment of the nominal amount paid up thereon after repayment of the nominal amount paid up on the Participating Shares and Nominal Shares.

Participating Shares (referred to in this Prospectus other than in General Information as "shares"). The Participating Shares carry the sole right to dividends. Participating Shares may be issued as Distribution Shares or as Accumulation Shares (it is not intended that any Accumulation Shares should be issued for the time being). Distribution Shares carry [illegible]

[illegible]

(4) The first Custodian shall be appointed by the Directors and any appointment of a different Custodian shall before such appointment is effected be subject to approval by Ordinary Resolution.

(5) Notwithstanding the provisions of (2) above the Custodian may with the consent of the Directors appoint any other person to hold as nominee for the Custodian any investments which cannot be conveniently held by or in the name of the Custodian.

23. **Auditors' report:** La Motte Chambers, St Helier, Jersey, C.I. 25th October 1984.

The Directors,
Save & Prosper Global Portfolio Fund Limited

Dear Sirs

Your Company was incorporated in accordance with the laws of the Island of Jersey on 24th October 1984.

As at the date of this letter no audited accounts have been prepared and no dividends paid.

Yours faithfully,
Coopers & Lybrand, *Chartered Accountants.*

24. **Auditors' consent:** Coopers & Lybrand have given and not withdrawn their written consent to the issue of this Prospectus with the inclusion therein of the Auditors' report in the form and context in which it appears.

25. **Documents available for inspection:** Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Fund. In addition copies may be inspected at the offices of Save & Prosper Group Limited, 4 Great St. Helens, London EC3P 3EP until 23rd November 1984 —
(1) The Memorandum and Articles of Association of the Fund.
(2) The contracts listed under "Material contracts" above.
(3) The Companies (Jersey) Laws, 1861 to 1968.
(4) The report of Coopers & Lybrand and their consent referred to above.

The consent of Coopers & Lybrand and copies of the contracts have been delivered to the Registrar of Companies in London.

1st November 1984

Save & Prosper Global Portfolio Fund Limited

Application for shares

To: *Save & Prosper (Jersey) Limited,* P.O. Box 73, 45 La Motte Street, St. Helier, Jersey, Channel Islands.

1. I/We (*full name and title (1)*)________________ **BLOCK CAPITALS PLEASE**

Address________________

and (*full name and title (2)*)________________

Address________________

hereby acknowledge receipt of a copy of the Prospectus dated 1st November 1984 and acknowledge familiarity with its contents. I/We enclose a remittance in the sum of US$________ (minimum initial investment US$1,500, subsequent investment US$500) which please apply to my/our purchase of shares in accordance with the terms of this application form and such Prospectus and subject to the Memorandum and Articles of Association of the said Fund (see note 1).

2. Registration details (see note 2)
The share certificate(s) for the shares allotted to me/us should be registered in the name(s) of:

*Full name and title (1)*________________ **BLOCK CAPITALS PLEASE**

*Address*________________

and *full name and title (2)*________________

If this section is left blank the shares will be registered in the name(s) and first address given in section 1.

3. Certificate delivery instructions
I/We request you to deliver to the person or organisation named below the share certificate(s) to be issued in respect of this application.

Full name and title________________ **BLOCK CAPITALS PLEASE**

Address________________

4. I/We instruct you as Administrator of the Fund to receive on my/our behalf all dividends payable to me/us by the Fund and to reinvest them for my/our benefit in the purchase of further shares in the Fund. (See note 3 below.) (Please initial box if this facility is required.)

5. I/We hereby warrant that none of the individual(s) named above is below the age of 20.

6. Date________19____ Applicant's signature (1)________________

Applicant's signature (2)________________

All applicants must sign. A corporation may complete this form under hand by a duly authorised officer who should state his representative capacity.

Notes

1. All cheques, drafts and money orders should be in US dollars drawn on a bank in New York in favour of Save & Prosper (Jersey) Limited. Other currency will be converted into US dollars as soon as practicable after receipt and then invested. As any application may be accepted in whole or in part or refused, the whole or any part of the remittance that is not applied in the purchase of shares will be refunded (without interest) in dollars at the applicant's risk.
2. If the address used for registration is in Jersey then Jersey tax will be deducted from any dividends paid unless the registered holder confirms in writing that the beneficial owner of the shares is resident outside Jersey for tax purposes.
3. If dividends are to be invested in further shares they will be so invested at the offer price ruling on the dividend payment day if such day is a dealing day, but if such day is not a dealing day, on the next dealing day thereafter.

AGENT'S STAMP

445/59/FT

SAVE & PROSPER INTERNATIONAL

FINANCE

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Artistic life v. realism

My wife is artistic, age-conscious and not in the least financially inclined—she leaves all money matters to me, including decisions. Her pension is on my book and she won't make a will, but that should raise no problems should she die first—which I doubt! In my will everything is left to my wife, except for a small cash allotment to my daughter, who is nominated to inherit should my wife die before me.

Now to the main point. Up to now, I have not given much thought to dying and have been a little remiss in the way our affairs have been handled. Our bank account is in my name only and the shares we own are all in my name only. The first point is easily dealt with, but how about the shares? I am an active investor and like to deal in small sums of £500 and £1,000 per company. Since my holding is usually 25-30 separate companies, this will no doubt cause problems when I'm gone. From now on, I shall be registering holdings in both our names, but is there any inexpensive way of dealing with our existing holdings?

You can make a declaration of trust in relation to your existing holdings, or such of them as you want to have jointly owned, stating that you hold them as trustee for you and your wife jointly in equity.

A tenancy in common

My wife and I are much interested in a tenancy in common in the column of October 6. We do not know the difference between Joint Tenants and Tenants in Common. Our house is in our joint names and is subject to a mortgage.

Item 1 . . . says "a declaration or notice of severance will suffice."

Will you please say how this should be made or worded?

Item 2 . . . The payments could be made out of our taxed investment income (from rents). Would a receipt be needed for the payment to our grandson and what receipt would he need from us, for his purchase of such 1 per cent per year?

Item 3 . . . What form should the assignments take and how should they be worded by us, without using a solicitor?

Finally, please, should our building society be notified on each occasion, by us?

1—A written notice from one joint tenant to the other should state: "I wish to sever the joint tenancy between us and take notice that the said joint tenancy is hereby severed."

2—Receipts are not essential but it is recommended that some form of documentary evidence is preserved, receipts being the simplest form.

3—"I/We hereby assign and transfer to X all those . . . shares in equity in the property known as . . ."

4—It is not strictly necessary to notify your building society, but what can be assigned is only an interest in the equity of redemption, ie the balance in value after deducting what is due to the building society.

A landslip and a stream

I wonder if you could help with advice about a progressively worsening landslip which is threatening the home of my elderly father and also those of his neighbours?

Behind the house is a small stream. The riparian owner went to live abroad at least 60 years ago and cannot be traced.

Neither the borough council nor the water authority will accept responsibility despite protracted correspondence and debate. The water authority has expressed the hope that a solution may be found but denies legal liability.

According to the council the water authority is absolved from liability because it has not carried out any work to the toe of the embankment, thus allowing the retaining wall to collapse, and therefore "is liable for misfeasance and not non-feasance."

The council says it gave serious consideration to invoking emergency powers under Section 138 of the Local Government Act 1972 but sub-section 3 (a) specifically precludes the execution of works in a "main river." Thus, according to the council, only the water authority can carry out work.

The water authority said it would give every assistance to the council to stabilise the embankment, preparing the works and design—but only if the entire cost was borne by the council. Subsequently the water authority said its resources were such as to preclude its officers being involved.

Because of my father's age he is not anxious to run up a huge legal bill yet he feels that somewhere there must be a legal remedy.

The position which you describe is such as to require a careful scrutiny of the title deeds of the respective riparian owners as well as of the relevant statutory provisions affecting the council and the water authority. It would be wise for your father and his neighbours to join forces (and finances) to consult a solicitor with a view to getting a more positive response from both bodies.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

MINING

Fingers crossed over U.S. dollar

BY KENNETH MARSTON

IF THE U.S. dollar is at last going into a decline, and it was looking decidedly wobbly yesterday, there will be some sighs of relief among the hard-pressed metal producers over there. They are faced with low metal prices, high U.S. interest rates and have to pay their operating costs in high value dollars.

The mines outside the U.S. have the advantage that they sell their metal for dollars and gain on the exchange rate when they convert the income into lower value domestic currencies. On the other hand, this advantage will be eroded if there is a fall in the value of the dollar.

Meanwhile, the September quarterly results flowing in from across the Atlantic this week have underlined the hard times for the industry. The big Asarco, for instance, has been forced to depart from the dividend list following a third quarter loss of $10.1m (£8.3m) and this after taking in some sizeable exceptional credits.

To make matters worse, the company has had to face a pre-tax charge this year of $38m for the planned closure of its copper smelter in Washington and the total loss for the first nine months of 1984 comes out at $69.8m. There was a net profit of $46.6m in the same period of last year.

Trying hard to look on the brighter side Mr Ralph Hennebach, the chairman, points to the continued fall in the world copper stocks—demand for the metal is quite strong—which were accumulated during the 1982-83 recession and says that this together with the recent weakening of the dollar is encouraging.

A little encouragement will be welcomed by **Phelps Dodge**, the leading U.S. copper company. In this case the third quarter has brought an increased loss of $24.5m which brings the nine-month loss to $50.2m compared with a loss of $32m a year ago.

Most of the companies have managed to cushion their losses with the help of special items such as tax credits and the sale of assets. Phelps has done so with a credit of $25m following the settlement of litigation with the Washington public water supply authorities and has also credited $3.1m from the redemption of outstanding notes.

The worst shock this week has come from Canada's **Noranda Mines**. It has announced a third quarter loss of C$49.1m (£30.7m) which wipes out the earnings made in the previous two quarters to leave the natural resource major with a nine-month loss of C$900,000.

A year ago Noranda had a loss of C$5.4m but in the first half of this year the company had been picking up quite well and it has had the benefit of a fall in the value of the Canadian dollar against that of the U.S., although Canada's currency is still firmer thn most others.

This does not alter the fact that Noranda has received sharply lower prices for its metals and has had to reduce production and write down the value of its stocks. A considerable improvement is expected in the current quarter, assuming that there will be no further writing down of the value of stocks, but this will still leave results for the year as "a major disappointment," says the company.

On this side of the Atlantic, the few tin producers down in Cornwall are being helped by the efforts of the International Tin Council to prop up the metal price by imposing production quotas on the producer country members of the International Tin Agreement. By so doing, it is hoped to reduce the surplus stocks of tin in the world.

Fortunately for the Cornish mines ITC output restrictions do not apply to them because the UK is rated as a consumer member of the agreement. They are not making any fortunes but at least they are keeping in the r-d and the old South Crofty mine near Redruth with its good ore reserves could do well in the longer term.

Charter Consolidated acquired a 60 per cent stake in South Crofty for £7.8m in 1982 but has so far seen little return on the investment. So it has decided to accept an offer of £8.5m plus a loan repayment of £980,000 for this interest from **Rio Tinto-Zinc** which holds the other 40 per cent.

Apart from the fact that RTZ is prepared to wait for the long term benefits of this acquisition, it fits in nicely with the latters other Cornish tin interests which include the relatively young **Wheal Jane** mine, to the west of Truro and a stake of 19.6 per cent in the old Geevor mine near Pendeen which is still going strong after 73 years.

The South Croft acquisition will also ensure a continued supply of tin concentrates for the RTZ Capper Pass smelter on Humberside. For tax reasons it is important for the RTZ to maintain a goodly UK income in addition to its major earnings from overseas.

Now to Antwerp where, as I mentioned last month, there has been a certain amount of anguish at the excellent quality cut and polished Soviet gem diamonds which have been coming on to the market in much larger quantities than usual and, what is more, have been offered at sizeable price discounts.

The Russians can afford to under-cut prices of the Western diamonds because their labour costs are less significant and to achieve a high quality "make," or cut, they are less constrained to obtain the maximum polished diamond content from a rough stone.

Then, of course, the Russians put a greater priority on obtaining foreign exchange than on commercial considerations. Because of the fall in dollar prices of gold they will have been getting less revenue from their bullion exports, hence the increased sales of damonds and, perhaps, of gold as well in due course.

This cuts little ice in Antwerp where the market is still recovering from its long recession. However, the exports of Soviet polished gems have now eased and the prices asked have risen nearer to market levels.

The change of heart may have something to do with the fact that Russia is also a big exporter of rough (uncut) diamonds which are marketed in line with **De Beers'** Central Selling Organisation policy. So the Russians may have decided to cool their sales of polished gems in order to avoid disrupting the market generally and, perhaps, a tacit agreement may have been reached with the West.

● Because of adverse weather conditions affecting drilling Australia's **Seltrust Holdings** has not produced the previously expected ore reserve estimate for its promising gold find at Temora in New South Wales. The quarterly report this week has stated that work continues to define an ore reserve capable of supporting an open-pit mining operation.

It is hoped that this important estimate will be available before public shareholders have to decide on the company's rescue plan put forward by **British Petroleum** which has a holding of 75 per cent.

Public shareholders will have a choice of accepting 54 cents (about 38p) cash per share or taking a package of shares and options in a new company to be formed to hold Seltrust's major gold interests. BP will keep Seltrust's other interests, notably the Agnew nickel mine, and shoulder the heavy burden of Seltrust debt.

● *Mr Rudolph Ludt*, chairman of **Intercontinental Energy Corporation** tells me that, in the U.S. at least, the long period of weakness in the uranium market may have now run its course.

He says that with high-cost mining capacity mothballed and stocks of uranium oxide being steadily run down, current spot prices of around $17 per lb could improve to about $22 next year. Meanwhile, higher prices continue to be paid by power utilities for supplies under long term contracts.

YOUR SAVINGS AND INVESTMENTS

Money matters for women

Many women find financial matters nightmarish. Alison Hogan offers hope

SHIRLEY SAUNDERS was forced to take over the family's financial affairs when her husband was suddenly posted to the Sudan by his company for six months. She described the period as a "living nightmare" as she wrestled with a salary paid in dollars, all the domestic bills, school fees, and tax returns.

Enid Carruthers had never written a cheque until her husband died. She was shocked by his death and confused by the business of disentangling his financial affairs. Eventually she had to rely on her family to help her through the financial maze.

These are just two of the women who now *assume a* greater responsibility for their financial affairs, after attending a course run by women for women called Money Matters.

Money Matters was the idea of Susan Fieldman, a young solicitor with her own practice. She was concerned *at the number* of women who walked into her office with financial as well as legal problems, often after a divorce or the death of a husband.

"They don't have the first idea and can be so much at the mercy of unscrupulous salesmen. They seem to have a mental block, always leaving anything financial to their husbands," said Susan.

Susan had heard of a personal finance course being run by Lady Audrey Wardington called CASH (Capital and Savings Handling) and decided to design *one* herself, bringing in other women from banking, insurance and accountancy to complete the team.

Lady Wardington's cash course is designed for women with a higher investment income, in general, from Money Matters though there are no limits to either and both women help each other in their shared aim of providing advice and reassurance to women on a range of topics.

On November 22, for example, Susan, with her Money Matters colleague, Celia Denton, a partner of chartered accountants Spicer & Pegler, are conducting a Cash Course morning session devoted to the financial implications of marriage and divorce.

They do not aim to replace financial advisers and cannot provide detailed advice on a woman's particular circumstances but they hope to give women the confidence to be able to talk knowledgeably with their advisers and appreciate the range of advice available.

The basic Money Matters course, *which runs for one day* and costs £22, covers such matters as the best places to invest, understanding life assurance, how to save tax, moving house cheaply and what to do if someone dies.

"At the beginning we found we were covering too many subjects and that women wanted to go into fewer topics in greater depth," said Susan. They now back up the basic course with a number of half-day courses.

The best place to invest a lump sum is a popular course. Other areas that cause particular concern are tax *planning* and the buying and selling of shares.

Lady Wardington found that many women attending her course had not realised the variety of investment alternatives to equities. She combines her £175 course, run over a series of six mornings once a week with visits to City institutions.

To help her clients explore alternative investments she has set up additional courses, including an occasional visit to *Christies.*

"We visit the warehouse and have lunch followed by a talk about selling fine art without incurring too much capital gains tax," said Lady Wardington.

Both Susan Fieldman and Lady Wardington emphasise that women should not wait until they face some catastrophe before they take the plunge into the confusing world of finance.

"I used to be financially dyslexic and decided I really should know a little more about personal finance. Now, I can talk a very good line and feel happy to talk to my accountant," said Lady Wardington. "It is also a great comfort to be able to hold reasonably intelligent conversations about finance with my husband."

Money Matters, Premier House, 309 Ballards Lane, North Finchley, London N12 8LU.

Cash Course, the Lady Wardington, 29 Moore Street, London SW3 2QW.

The share options carrot

LISTED COMPANIES and their employees have often reacted enthusiastically to the new approved share option schemes introduced in this year's Finance Act. The Inland Revenue report a rush to exploit this tax-sheltered investment.

But of the thousands of employees with the chance to join *a scheme, most will find that* their companies have set conditions which are more restrictive than those required by the Finance Act.

But if you want to complain, don't turn to the company but to its institutional shareholders.

There are three main representative bodies of the investment institutions—the National Association of Pension Funds, the British Insurance Association and the Association of Investment Trust Companies. Each has an "Investment Protection Committee" (IPC) which aims to protect the value of its members' investments.

IPC's have always had mixed feelings about employee share schemes. They approve of anything which gives the workforce an incentive to boost company profits. But they are not happy to see the value of their institutional shareholdings diluted by the issue of extra shares to employees. To try to keep the right balance between incentive and dilution, the IPC's lay down their own guidelines for employee share schemes, over and above the Government requirements.

Companies with institutional shareholders are expected to follow these guidelines. If they *don't, then the IPCs will* "advise" their members to oppose the scheme when it comes up for shareholder approval—as it must do under Stock Exchange rules.

With previous types of scheme, the main IPC aim has been to set a limit on the percentage of a company's shares which can be issued to employees under a scheme. The IPCs believe that the limit should be 5 per cent for any single scheme and—where a company operates more than one type of scheme—an overall limit of 10 per cent.

But the IPC guidelines on the new 1984 schemes go much further than just reiterating the traditional 5 per cent maximum. The reason for this is that Parliament decided to give employees greater opportunities under the new approved schemes than under any previous schemes and the IPCs are not sympathetic.

There are two main points on which the IPCs are more restrictive than the Finance Act.

The first concerns when a participant in a scheme is allowed to exercise his option. As originally drafted, the Finance Bill prohibited exercise during the first three years after an option had been granted and more than 10 years after it had been granted. But the Bill was subsequently amended and the Act now provides that an option can be exercised at any time, though the employee will lose all the tax advantages of scheme participation if he exercises during the previously prohibited periods.

This change of mind by the Government, designed to assist employees who have no alternative *but to exercise* their options very early or very late, has been rejected by the IPCs.

The second point of conflict is on the maximum value of option shares which can be granted to any employee. For earlier schemes the limit was four times salary. For the new approved schemes the limit has been set the higher of four times salary and £100,000.

This makes no difference, of course, to anyone earning £25,000 per annum or more. But *it will make a significant difference* to a middle-ranking executive earning, say, £18,000 per year—his option limit will increase from £72,000 to £100,000.

But the IPCs do not accept that sub-£25,000 people are worth this extra *incentive. They want* companies to peg the limit at four times salary and ignore the £100,000 alternative.

The only exception the IPCs are prepared to make is for overseas employees.

Another point of difference between *IPCs and Parliament* is on whether employees who are approaching retirement should be allowed to participate in schemes. The Finance Act is silent on the question—but the IPCs see no point in giving incentives to employees who will soon be leaving.

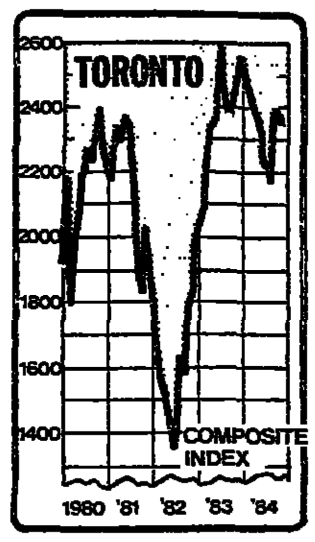
David Cohen is a solicitor practising in London.

George Graham and Clive Wolman on opportunities abroad

Unit trusts with a geographical focus

IN SPITE of the growth of specialist unit trusts in recent years, there are still uncrowded sectors where enterprising fund managers can carve out niches for themselves. New opportunities are becoming hard to find, but three groups have this week come out with their ideas.

All three will have a geographical focus, but with special features. N. M. Rothschild will centre on European smaller companies, Montagu Unit Trust Managers on income from U.S. convertibles and equities, and the Royal Bank of Canada on Canadian equities.



● New Court Smaller European Companies fund is a UK authorised unit trust to be run by N. M. Rothschild Asset Management. It is the first unit trust to concentrate solely on small companies in Europe.

Rothschild's investment strategy will be to pick the right companies, rather than seek exposure to particular markets.

Special attention will be paid to the secondary markets, similar to the UK's Unlisted Securities Market, which have arisen in Belgium, Norway and France.

France will be an area of special interest to the fund, because of the expertise of Rothschild's subsidiary Paris Orleans Banque. POB, which received bank status earlier this year after the nationalisation of the former Rothschild bank in France, recently launched a fund investing in Second Marché companies.

Of the 65 companies on the Second Marché, Rothschild says 40 would meet its investment criteria, and probably no more than five would be regularly researched by stockbrokers. So there is a good opportunity to select undervalued new stocks, and also to profit as these companies move on to full Bourse listings.

Many of the companies launched on secondary markets in recent years, far from being risky new ventures, have a 60 or 70 year history in private hands.

● **RBC Canadian Fund** is an offshore fund launched by the Guernsey-based investment subsidiary of the Royal Bank of Canada. The fund will concentrate on the main Toronto Stock Exchange equities, though it may also look at the Vancouver exchange and at times may hold metals.

The bank believes the Canadian economy does not receive adequate investment attention at the moment from the UK. Only Craigmount runs a purely Canadian fund, and North American unit trusts have only minimal exposure north of the border. Australia, by contrast, has over 20 specialist funds.

Royal Bank emphasises that the Canadian fund will not be purely a metals and minerals vehicle, although from time to time it may be heavily invested in these areas.

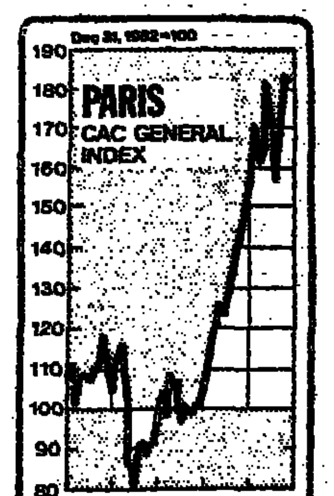
● **Montagu U.S. Special Income Unit Trust** is a UK-authorised trust offering an estimated gross yield of 7.25 per cent. It will initially use half U.S. convertible bonds and half ordinary shares.

An offshoot of Samuel Montagu merchant bank but also partly owned by the U.S.'s Aetna Life, Montagu Unit Trust Managers has already run an offshore fund seeking income from American securities since 1981; it claims 36 per cent income growth and 96 per cent capital growth since then.

Montagu feels "income-protected" shares and domestic convertibles will offer good defensive qualities should the market fall, and believes that this mixed portfolio is likely to be less volatile than one geared to highly-rated growth shares.

The growing number of specialist funds presents a confusing choice for individual investors, who may not feel confident about timing their own moves in and out of specific sectors.

● **Save & Prosper Global Portfolio Fund** seeks to address this problem by offering a single fund that will be able to switch rapidly among different markets or sectors.



The new offshore fund will invest in Save & Prosper International's 10 Bermuda and Jersey funds, Jardine Fleming's 12 Hong Kong-based trusts, and Save & Prosper's 27 UK authorised unit trusts. These funds will not make initial charges or rounding adjustments, thus avoiding double-charging investors when the Global Portfolio fund switches.

The fund managers will partially usurp the role of the unit trust adviser by making clear-cut decisions about the markets or sectors in which to invest. A general international fund is more likely to maintain an exposure to overseas markets—especially Japan and the U.S.—in proportions that change only slowly.

The escape from UK market fluctuations

THE MAIN benefit of putting your money abroad is to spread your risks and make equity investment less of a hair-raising experience. Your fortunes will no longer be tied to the fluctuations of the UK stock market, writes Clive Wolman.

The optimum amount to invest abroad is more difficult to determine. One argument, you should invest no more of your risk capital in the UK stock market than about 8 per cent. This is the proportion of total world stock market capitalisation represented by shares quoted on the UK market.

To follow this argument consistently, you would have to invest over 50 per cent of your risk capital in the U.S. Tying up so much of your money in one economy—and more importantly one foreign currency—throws up other risks, even if that economy is large and diverse.

The currency risks also make overseas investment less attractive for the UK resident but they should not be exaggerated if your concern is with long-term returns. Currency fluctuations tend to cancel each other out over a long period, at least after allowing for differences in inflation rates.

If you are concerned over the short term about, say, the level of the dollar, you could invest in a unit trust which hedges the dollar risk.

Picking your own stocks in an overseas market is not normally to be recommended unless you have a broker in the UK with unusually good connections with the country in which you are interested. Collecting the information, making the deals and sorting out your tax position impose a heavy administrative burden.

For this reason, if no other, unit or investment trusts provide the easiest way of investing abroad. And their charges for an overseas fund are typically only 0.25 to 0.5 per cent higher per year than their charges for a UK fund. So neither charges nor taxes need be a major deterrent to overseas investment.

Several unit trust advisers and managers recommend broadly that about 50 per cent of your equity investments should be overseas. And that is the proportion of overseas investments made by unit trusts since exchange controls were lifted five years ago.

But some unit trust advisory services, for example Mark Searle of Richards Longstaff, are prepared to advise that up to 75 per cent of a portfolio should be placed overseas. And for the reasons stated above, that seems to be a more sensible proportion.

If you do not wish to make any decisions about which countries to invest in and when, the simplest course of action would be to put your money into an international unit trust with a relatively low UK content of about 25 per cent.

Simms rides the roller coaster

Investment Tales

POLLY PECK and London and Liverpool are names that spell joy and disaster to many investors. Ian Simms is one who tasted both.

Simms rode Polly Peck, the high-flying trading group run by Turkish businessman Asil Nadir, all the way up to its peak, and came away with a profit of around £10,000. But he hung on to London and Liverpool as it slid from a high of £7 a share, *and lost half his winnings.*

With a degree in philosophy, Simms says he has a tendency to look at things in an academic way, and feels his roller coaster ride on the Stock Exchange has given him more self-knowledge.

"But it does not make you *a better gambler,*" *he said, and* he still finds it difficult to take a cold, rational approach to investing. "I am not built like that, and I suspect that there are a lot of other people like me who dabble."

The stock market first caught *Simms's imagination* three years ago, when he answered an advertisement for the Fleet Street Letter. It was this tipsheet that alerted him to Polly Peck.

"I started buying when they were just over £2 a share," said Simms, who bought and sold large blocks of shares on margin within the stockbroker's accounting periods as the price moved steadily upwards to top £35.

"I was buying and selling 2,000 shares at a time," he said. "If you are buying £40,000 or £50,000 worth and waiting for it to move the market you do *not do much between that and* the next phone call.

"My final purchase was in fact sold at a loss, as I had not wanted to forego the possibility of more profit and my broker did not discourage me, but overall I made the proverbial killing," said Simms, who admits to a good deal of luck.

He admits also to getting "a bit drunk on the euphoria" of being able to sway the market, but came out of the adventure *with a profit in the form of 5,000* Polly Peck shares, worth around £10,000 today.

"I do not think buying and selling within the account is a sound strategy," Simms said. "I was playing the roulette wheel and trying to make a fast buck."

But his luck turned against him when he tried to do the same thing with London and Liverpool, the *wonder stock of* 1983 which slid into liquidation earlier this year after a disaster on its Tele-Jector project to put large screen videos into pubs and hotels.

Simms again bought large blocks of shares, selling them again quickly for a profit as the stock climbed steadily upwards, from 65p to 700p. When it turned down, however, he clung to the shares in the hope that the price would climb again.

"When it got to the top I did not sell," said Simms, who lost £5,000 in the process. "I have to acknowledge my own greed, which also entails a reluctance to take a loss. Selling is psychologically much more difficult than buying."

Simms still doesn't see him*self as a sober, rational* investor. "I'm too young to have serious investments," he said. He is 38.

Besides his Polly Peck stake he now has some gold mine shares in South Africa and Australia, and a little money in unit trusts, but scorns building *societies.* "*It has to be the* worst place in the world for your money," he said. "That's for the lazy man."

But he doesn't read the Fleet Street Letter any more, and he doesn't indulge in the sort of active trading that made him a *bundle* on *Polly Peck* and *lost* it on London & Liverpool. "So long as one is on the outside of the City looking in, playing the market short-term is a gamble."

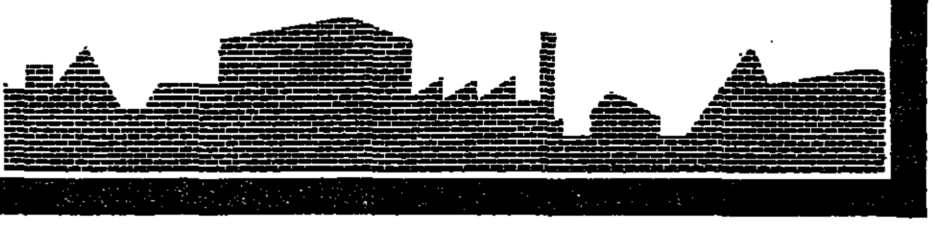
Having told his story, Simms now finds his actions "much more horrendous and much more irresponsible" than he thought at the time. "I don't think I would do it again," he said. "I was lucky and came out on the right side with a bit of money."

UK CONVERTIBLE STOCK 3/11/84

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	8.44	444.50	333.3	80-87	2.7		−3.4	−6 to −0	28.7	19.7	−2.0	+1.4
Hanson Trust 9¾pc Cv. 01-06	81.54	384.50	160.7	85-01	2.5		−5.4	−8 to 1	170.4	70.8	−24.5	−19.0
Slough Estates 10pc Cv. 87-90	0.45	312.50	234.4	78-85	3.2		−4.1	−10 to −4	0.0	4.9	1.5	+5.6
Slough Estates 8pc Cv. 91-94	24.72	137.00	97.5	80-88	6.0	2.3	1.1	−7 to 2	16.7	23.4	4.9	+3.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the *cost of the equity in the convertible stock. ‡ Three-month range.* § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value or underlying equity. + is an indication of relative cheapness. — is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.



SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS

Safe and sound with your friendly local bank

George Graham's first article in a series on the people who advise on money

THE FIRST place you might reasonably expect to find expertise in managing money is your bank. But what sort of service will you get if you ask for the bank's help in running your personal finances?

If you approach your bank manager you should get general advice from someone who knows your finances. You will not get specialist investment advice—indeed, NatWest specifically instructs local managers not to offer investment advice on their own.

The bank will handle your share dealings, place your insurance business or buy national savings certificates or unit trusts for you. It will receive commission on these transactions. For advice, however, the manager is more likely to refer you to a local broker or to the bank's own specialist divisions.

For the smaller investor, this will probably mean referral to the bank's own unit trust subsidiary. Lloyds was the first to enter this field, and now manages more than £200m in unit trust funds. The other major banks have all followed suit, and Barclays, which acquired the Unicorn unit trust group, is the largest with over £750m under management.

Choosing the right unit trusts may still be difficult. For investors with less than £20,000 Midland offers a more limited version of its management service. Income will be collected and tax receipts provided, but the portfolio must be restricted to a maximum of five unit trusts or fixed interest holdings. A flat fee of £50 is charged.

Barclays Unicorn will give a free investment consultation and will recommend fixed interest investments as well as its own unit trusts, while TSB Scotland offers a unit trust advisory service for a charge of 25p per £100 of assets, subject *to a minimum of £25 plus VAT.*

For sums over £20,000-£25,000 the banks will refer investors to their own specialist investment services. The banks' subsidiary trust companies offer full discretionary investment management, and will also give tax advice or act as executors to wills.

BANK DISCRETIONARY MANAGEMENT SERVICES

	Minimum portfolio	Fees	Personal funds under management
Barclays	£20,000*	£75 up to £50,000 then 75p/£100	Approx £700m
Lloyds	£25,000	75p/£100 for first £100,000 min £150	N/A
Midland	£20,000	75p/£100	£400m
NatWest	£25,000	80p/£100	£1,000m
TSB Scotland	£20,000	stock 50p/£100 gilts by negotiation	£2m†

* Flexible. † Service only started November 1983

The trust company specialists will help you to establish an investment policy and then run your portfolio in line with that policy. Your shares will be held by the bank as nominee, and it will handle all the paper work, such as takeover bids and rights issues.

Fees are generally calculated as a percentage of the market valuation of your investments. NatWest is the most expensive at 80p per £100 of investment per annum.

TSB Scotland, which launched its investment advice service last year, operates a range of charges.

For stocks and shares it charges 50p per £100, but for unit trust holdings only 25p per £100. And fixed interest investments, because they tend to be held for longer periods and not to require active monitoring, will be subject to negotiated and usually lower charges.

TSB England and Wales does not yet offer investment management services but is looking at the sector and will in all probability introduce a service at some stage.

In some cases the bank trust company may still invest some of your money in its own unit trusts, but the proportion is likely to be small in full discretionary management schemes. NatWest, for instance, puts less than 10 per cent of its non-gilt investments into unit trusts of any kind, and of this less than a third goes into the trusts managed by NatWest's County Bank subsidiary.

Lloyds will reduce its annual management fee if money is invested in its in-house unit trusts, as will Barclays for its full management service. But the Barclayfunds Investment Service for portfolios up to £50,000, which invests only in Barclays Unicorn unit trusts and in fixed interest stocks, will not.

Why should you invest your money through a bank, rather than through a specialised investment adviser? The main answer is security. Independent services, such as Norton Warburg, have failed, taking a considerable amount of clients' funds with them.

"We're in the peace of mind business," commented one trust company official, "and you don't have to equate that with being stodgy or conservative."

Grey areas between discretion and secrecy

MANY PEOPLE think that their financial arrangements with the bank will be treated in the same way as a priest treats confessional disclosures. Denis and Mark Thatcher were not the first, and will not be the last, to discover otherwise.

A bank is sometimes legally obliged to release information. Sometimes it will disclose details when it considers it has a public duty to do so. Or it may decide that it is in the interest of the customer—or the bank itself—to make certain facts available.

But the dividing line between permitted and unauthorised disclosure is a thin one.

A bank has a statutory obligation to supply the Inland Revenue with an annual list of customers who have had more than £150 interest credited to their accounts in the past tax year. It must also list those benefiting by the same amount or more from holdings of Government stock paid without deduction of tax and registered in the bank's nominee company. Details of transactions such as stock and share dealings must also be revealed.

Where a customer has offered a guarantee by a third party in support of a loan, the bank considers that it has the customer's implied consent to answer direct questions posed by the intending guarantor. This can require fine judgment and a manager will often try to obtain the consent of his customer in advance or arrange a tripartite meeting.

During the life of the guarantee, the bank will tell the guarantor the amount of his liability at any time, but it will not reveal any other details.

Banks also consider that the *banker-customer relationship* gives them the freedom to answer status inquiries on their customers, without first obtaining their permission or even advising them of the details of their reply. This point has been questioned but is now generally accepted.

Nevertheless, it is a little disquieting to know that someone can, without your knowledge, discover whether your bank considers you honest and trustworthy and good for £1,000. If the bank suspects that the inquiry is not for legitimate business purposes it should refuse to handle it.

Replies should be given only to banks and recognised trade protection societies. No facts such as the balance of the account or details of assets are disclosed. Standard phrases are used—"considered good for your figures and purpose" or "may need time to pay." Only the initials of the subject of the inquiry are quoted on the reply.

Telephone inquiries are treated with caution and unless the caller can be satisfactorily identified no confidential information ought to be revealed. Your address or telephone number will not be divulged to anyone.

If someone wishes to contact you he or she will usually be invited to write to you care of the bank, which will then forward the letter.

Information is not normally given to the police without a warrant. However, the bank may decide to co-operate if it considers that it is acting in the public interest or in the interest of its customer. A lot depends on the seriousness of the offence.

All bank employees sign periodic declarations of confidentiality. They are strictly forbidden to talk about their customers' affairs at home, or to their friends, or to their colleagues in a place where they might be overheard. If you request the balance of your account they should write it down on a slip of paper and pass it across the counter or hand you a copy of your statement of account.

Mistakes and bad judgments occur from time to time, which is hardly astonishing considering the huge volume of bank business. Deliberate disclosures for profit or any other reason are rare.

HAROLD BALDWIN

Lawrence Lever on legal expenses insurance

Peace of mind policies

TOO SLOW, too technical and too costly thus Sir John Donaldson, Master of the Rolls, described the present procedures for resolving civil disputes.

Litigants should have to pay the full commercial costs of bringing a court case, Sir John said, while private insurance against the costs of litigation should be encouraged.

At the moment there are three things that you can do about legal expenses insurance: ignore it altogether, take out a separate legal expenses policy, or add a legal extension to your existing home or car insurance.

The arguments in favour of insuring yourself are powerful. Litigation, the insurers point out, can be very expensive, *while legal aid is granted only* to those on lower incomes.

Moreover, even where you win your claim, because of the antiquated rules governing award of legal costs, you will rarely be indemnified in full by the loser for your costs.

It is also worth bearing in mind the bargaining strength that insurance support can provide. If the insurance company, rather than you, will be responsible for the cost of your claim, this will relieve the *pressure on you to accept a low* tactical offer of settlement from your opponent.

But the risks of being embroiled in litigation are not generally immediate—legal expenses insurance should be seen as falling within the "peace of mind" category.

The insurance itself comes in many weird and wonderful forms ranging from group schemes for companies and employees and specialist employment policies for employers. General family insurance policies can provide cover for the policy holder and immediate family for disputes concerning the home, motoring offences and general employment and consumer problems.

The major providers of separate family policies are DAS, Legal Benefits, IRPC and Sun Alliance.

The Sun Alliance policy has in fact brought together two highly unlikely bedfellows: It enjoys (or suffers from) the Law Society's stamp of approval and has also earned a "Best Buy" star from the Consumers' Association in their Which? magazine report on legal expenses insurance.

In fact all four companies cover the standard areas but some are more extensive than others. As a general rule, you should always look beyond the glossy leaflet to the small print of a specimen policy.

If you do, then you will discover that Legal Benefits provides the widest cover, although *it is also the most expensive* and the only one of the four which requires you to pay the £10 to £50 of any claim (see "excess" column in table).

It is also worth noting that some of these policies specifically exclude particularly trouble torn areas. For instance, only Legal Benefits and Sun Alliance will cover disputes concerning conversions and alterations to your home. And Legal Benefits alone of all the general family policies, covers arguments before a rent tribunal.

Moreover, neither DAS nor IRPC general policies will provide cover for lease or tenancy disputes where the policyholder's home is in a block of flats. Such disputes are legion.

You should not allow yourself to be swayed by the practice of some of the insurers of highlighting an aspect of their cover that is unique to them.

Legal Benefits for example, is the only company offering cover for the costs of getting *divorced. However, this does not* apply to the first year's cover so you need to take the policy out for two years before qualifying. Even then, the cover is limited, particularly in relation to the premium.

Similarly alluring are the free 24-hour *telephone* advisory services—IRPC and Legal Benefits provide them—which both companies claim will cover any legal problems, not just those falling within the ambit of the policy.

Remember, however, that it is the quality of the service that is most important and you could suggest a dummy run before deciding whether to hand over your money.

You should also look at the excess that each policy stipulates. Of the four companies above, only Legal Benefits has an excess (£10 or £50 depending on the level of cover), but DAS, for instance, offers a consumer protection policy with a very high excess of £50, in the *light of the sort of problems* that the policy is meant to cover.

The add-on policies are considerably cheaper than the separate policies, although the cover they provide is not nearly so wide.

Almost all of them are underwritten by DAS and the snag is that you are generally tied to the particular home, car, etc. insurance, to qualify for the legal expenses supplement.

Hambro Housley do, however, provide a roving policy called Family Legal Protection which can be linked to your own home or car insurance providing that you go to a broker selling it. Hambro Housley claims to have a national network of brokers offering their supplement.

Name	Premium	Excess	Cover per claim
SUN ALLIANCE Family Legal Expenses	£66	—	£25,000
LEGAL BENEFITS Family Legal Benefits	£80-£120	£10-£50	£5,000-£25,000
DAS Family Legal Protection	£60-£68	—	£25,000
IR PC Legal and Personal Legal Advisory Club	£20-£60	—	£25,000
BARCLAYS	£36	—	£25,000
HAMBRO HOUSLEY* Family Legal Protection	£6	£30	£5,000
ENDSLEIGH* Homecare/Home plan Economy Plan	£20	—	£10,000
ECONOMIC* Homecare	£15-30	£50	£5,000-£30,000
ALLSTATE* Homesteader contents	£18	—	£10,000

* Sold only as a supplement to existing policy.

PROPERTY

June Field explores the thatch and roses fantasy

Pay someone to hunt for your rustic retreat

ONE OF the major indications of the growth of interest in period properties in the country is that people will happily pay someone to find the right place for them.

Conservationist David Lovibond (chairman of the London branch of the Council for the Protection of Rural England) set up The *Country Property Company* in association with Farrar Stead and Glyn at 152 Fulham Road, London, SW10 nine months ago. He now has a healthy register of retained clients looking for something with a bit of character, away from the towns and traffic.

This ranges from those looking for the ubiquitous thatch cottages with roses round the door for under £35,000, to someone who had sold his large bungalow on a South London housing estate, and was seeking the seclusion of a house on a hill in the West Country in the region of £150,000.

For a search fee of £25 plus VAT, between £50 and £200 up front for expenses and around 1½ per cent on the sale price upon completion, the enthusiastic Mr Lovibond will take to the often muddy back roads of England to track down something suitable — and, in some cases, cope with the eccentricities of owners.

"In a forgotten corner of the Cotswolds the walking-stick hurled at my head seemed to indicate that the man was not too keen to sell," he recalls of one foray into the wilds.

He warns what he calls his "town-orientated" clients that rural bliss is not always the pastoral idyll it has been cracked up to be, particularly in the winter.

Living in the depths of the country means accepting that the drainage may be a septic tank, the gas bottled, and the postman will not always be able to get up a long snow-covered drive.

"First, determine the landscape features you want your ideal countryside to have — water, trees or flat plain. If you need to commute from London, or even drive down at weekends, calculate the distance in time as well as miles. And if, for example your home-base is in West London, then going east or, to a lesser extent, north and south, would involve crossing London first, which adds considerably to the time involved."

As he observes, the metamorphosis of an *habitue* of SW3 into a convincing country-person is not effected by the mere acquisition of a place in the country. "Living successfully in a rural area means preparing yourself for what can be a completely different way of life."

If you have a place to sell, The Country Property Company will take it on the books, either direct or through an estate agent. Current offerings include a five-bedroom Georgian house on the edge of the Somerset village of Milverton in a Conservation Area (£82,500), and a converted coach house *with a barn in deepest Essex* overlooking farmland, yet only three miles from the county *town of Chelmsford* with its main line railway station (Liverpool Street 35 minutes), is £107,000.

A 17th century cob and thatch cottage set among the trees near *Witchampton*. Dorset, complete with sunken garden, orchard, and vegetable patch was being offered at £95,000 in conjunction with Blandford agents Senior and Godwin.

As for cottages in the rough, Mr Lovibond reminds that in the fashionable counties they can command "staggering prices." Recently a cottage in the North Cotswolds with earth floors, a sagging roof and no water and electricity sold at auction for £42,500.

"You need to travel to the less accessible parts of Somerset to find pretty terraced houses in reasonable condition that require only a modest amount of redecoration. The price-bracket could be around £25,000."

For really cheap property outside London, ex-marketing man *Stephen Wild has identified* a sector under £10,000, and devotes six pages to them in his *new magazine, Nationwide Properties,* Bromlow House, Upper Bromlow, Minsterley, Shropshire (£6 for six issues).

Do not expect too much of them though. Some are referred to as "in need of repair," or more encouragingly "with excellent potential for modernisation." End-of-terrace houses in Yorkshire, and stone and slate cottages in the Welsh hillsides are all listed in the £5,000 to £10,000 bracket, which must be good value.

CONSERVATION of the countryside is nothing new, nor is the restoration of old *country* houses. A developer who is converting a derelict Georgian house into flats and *setting up an endangered* animal farm practically in his own back garden next door is another matter.

Sussex builder Roger Penfold, *who runs* Downland Construction, and his interior decorator wife Caroline bought *the 24-acre Northlands* Farm near the old village of Fishbourne with *its Roman Palace, because of* their dedication to the conservation both of the countryside and threatened animals.

Soon to arrive in the grounds of their newly built farmhouse are five different species of grazing animals—none dangerous, as they are quick to point out. The animals will be coming from Marwell Zoo, Winchester, a registered charity whose aim is to build up herds of these *rare creatures to be returned* eventually to their natural habitat.

Northlands Farm will not be open to the public; but those buying an apartment in *Northlands House across the* fields might catch a glimpse of an Arabian gazelle, a golden antelope, or a Congo buffalo from the rain forests of Africa.

The house, a former school, has been converted to 10 handsome apartments with garages by architects Critchell Harrington and Partners; a graphic designer has bought *the top unit in the eaves;* a local family has part of the ground floor with its tall, elegant windows opening on to a terrace with views towards Chichester harbour.

The other eight apartments for sale, from £49,500 to £92,500, *include a one-bed*room unit with a platform "sleeping area" off the living-*room suitable for a guest,* and a three-bedroom, two-bathroom maisonette with a lofty-*ceilinged room fitted out with* library shelving; a good-sized apartment on the ground floor has *its own little walled* garden.

All the accommodation has the latest kitchen equipment, plus the new NHBC six-year warranty. There is a showflat which can be bought as a complete package, and viewing is through Roger Penfold, Northlands House, Salt Hill Road, Fishbourne, Chichester, West Sussex (0243 774448), or Michael Brandon, Jackson-Stops & Staff, 37 South Street, Chichester.

Begonias for the window

BY ARTHUR HELLYER

CLEOPATRA and Tiger Paws sit prettily on the window ledge out of reach of the direct rays of the sun which might turn their delicate skins. They are small, highly beautiful foliage begonias of uncertain parentage which I acquired recently at a Royal Horticultural Society show where they were exhibited with many others of a similar type by Mr B. Wall who grows them in his greenhouse at 4, Selbourne Close, New Haw, Surrey.

It is useless to look them up in any of the familiar books of reference published in Britain though I did find some of them in the American Exotic Plant Manual prepared by Alfred Byrd Graf. They have nothing to do with the familiar Rex begonias which are much bigger in every way and could not be comfortably accommodated on a window ledge unless it was uncommonly deep.

These are quite small plants. Cleopatra little more than six *inches* high with deeply lobed leaves of intricate camouflage colouring combining shades of green and brown more appropriate to Maid Marion than to Cleopatra. Americans, who have *raised* a lot of these small begonias, call this type "maple leaved" which is quite an appro*priate description.*

Tiger Paws is even smaller, the leaves little more than an inch across, light green but heavily covered with a foot-shaped brown imprint. They are unlobed and lopsidedly heart shaped. When viewed from behind, especially with the light shining through them, the brown markings of both Cleopatra and Tiger Paws are seen to be rust red. I find them fascinating.

I think that these begonias and others like them are going to be easy to grow. Mr Wall *tells me that he aims to keep* his greenhouse at a minimum of 45 deg F but is not worried if it *occasionally* drops 5 degs lower. When it is cold he keeps the plants drier, though they *must never be quite dry as they* have no tubers to store water, only rhizomes, like rather thick stems, *lying flat on the ground* and it is from these that the leaves and fibrous roots grow.

Mr Wall grows his plants in peat compost but has no particular formula to recommend as he says the plants are not fussy and will grow well in any of the commercial mixes. He recomends growing them in half pots rather than in pots of full depth and that does seem entirely in keeping with the short, compact character of the plants. Mine are now in 5-inch pots, having been moved on into these from the 3-inch pots in which I bought them.

Though a greenhouse with a fair amount of humdity is ideal, most varieties grow well in rooms provided they *do not get* too hot and dry.

Cleopatra and Tiger Paws are just two of many different hybrids. Black Prince has very dark leaves, mainly blackish brown but carrying a lighter pattern in the centre. By contrast, Emerald Isle is bright green and its small rounded leaves are much thicker in texture. Beatrice Haddrell has maple shaped leaves like those of Cleopatra but the colour is even darker, with the green and yellow mainly confined to the veins. It is one of the few for which I have been able to trace a parentage which is given as Begonia boweri crossed with B *sanderbruchii. I* know nothing about the latter but B. boweri seems to have been used quite a *lot as a parent for* miniature begonias so it is worth looking at it a little more closely.

It comes from Mexico and, with some other kinds, is often called an "eyelash begonia" because of a fringe of erect hairs around margins of the leaves which are waved and dark brown in sharp contrast to the light green of the rest. Some authorities, including Mr Wall, call it B. bowerae, and I do not know which spelling is correct. It has the reputation of being a little more difficult than most so, despite its beauty, perhaps it would be better left until one has gained a little experience with some of the easy ones.

Another miniature *wild* begonia that has been used quite a lot to produce garden varieties and is also grown for its own sake is Begonia mazae. The leaves are rounded and smooth, like satin, delicately tinted in shades of green and bronze. A variety of it named viridis is trailing in habit and is sometimes called Stitchleaf because *of* purple marks like stitches around the edge of each leaf. Exotic Plant Manual re*commends that* it should have perfect drainage and be kept fairly dry so maybe it is not as *easy as most.*

Yet it would be a mistake to jump to the conclusion that all the wild begonias are more difficult to grow than the garden hybrids. For many years, Begonia evansiana has hung around in my greenhouse with hardly any care at all. It persists in propagating itself by bulblets which form where the leaves join the stems for, when these fall off on to a damp bench, they quickly root and there are more plants to keep or throw away.

It is quite a pretty thing, *much taller than the miniatures* and at the moment filling my greenhouse with pale pink *flowers carried in long loose* sprays.

The stems are flushed with rhubarb red around the joints and this colouring spreads up the flower stems and the leaf stalks and leaf veins. It was one of the begonias exhibited by Mr Wall and I was glad to see it and be reminded of its name which I had forgotten, always a danger with plants that are utterly undemanding and so not often in mind.

But Begonia *evansiana is not* a plant that has ever captured my affection like these newly acquired miniatures nor could it live, like them, on my window ledge. I think I have found myself a new hobby and I shall be looking for more of these charming little begonia *hybrids,* maybe Chimbig, Skeezer, Tamo or Bowmag.

Whoever dreamed up those names? Perhaps I will stick to something prettier like Chantilly Lace, Queen of Sheba or Red Planet, described respectively as apple green with black spots, brown shaded with yellow and green netted with red-brown. And not one of them over six inches high.

Appointments

Motor Cars

Arthur Sandles looks at Halloween hauntings . . . and the pitfalls of package tours

Ghostly nuns and spectral spaniels

IT WAS a bat, and a tiny one *too*. A frightened little pipistrelle which had found its way into the garden shed and swung there giving the occasional glare and hiss if I got too close. But Halloween was near and the combination of such a fearful season, the potting shed of so many English mysteries, and this creature of mystery and the night was almost too much for my sensitive nature. It was all too reminiscent of things that go bump in the night.

This weekend will see many a Guy Fawkes bonfire burning. The past few days have already witnessed more evidence of the sudden revival in Britain of the Halloween jollifications *themselves, re-imported from* the U.S.

Both can, of course, be traced back to mysterious rites associated with the end of the fruitful *days of summer* and the arrival of long nights, mists, chill and leaf-stripped trees that bend and howl in late autumn gales.

York's city walls evoke the spirit of the past

Other nations have their ghoulies and ghosties but, I suspect, the British (or perhaps more accurately, the English) regard theirs with affection. Our ghosts are part of the family.

We tremble at them, but we love them, and certainly do not want them to go away. Indeed, this is the season for ghost hunting, and there is many a region of the country which lays claim to being the best hunting ground.

York, for example, not only tempts visitors with its walled centre, magnificent cathedral and Norvik centre, *it also boasts* a string of spectres and hauntings sufficient to satisfy the glutton. There is the York barguest:

"Sometimes haveing such a face
As promiseth an human race:
Sometimes he bee a beare, a dogg.
Sometimes the lykeness of a hogg."

Beware Clifford's Tower area on moonlit nights. Beware too the apparently peaceful surroundings of York's Treasurer's *House which not only provides* a home for the ghost of George Aislaby, who died in it after a duel fought at Penley Crofts, but even more spectacularly *seems to be the residence of* a whole platoon of Roman legionnaires. There have been several sightings of the Romans making their way with captives, through the cellars.

York locals would claim that the Treasurer's House (now owned by the National Trust) rivals the notorious Borley Rectory, and certainly it has the advantage of still being in existence. Borley itself was the scene of much poltergeist *activity, particularly* in the 1930s, caused largely, it is said by the ghost of a nun who had been murdered in the 16th century. In a particular fit of pique in 1939, however, the spirit lifted an oil lamp from its mountains and threw it to *the floor with such ferocity that* the whole place was burned to the ground. The nun was seen in the burning wreckage and, some say, still provides distrac*tion on the site.*

A little more amiable, perhaps, are the ghostly noises provided by the old lady who haunts Ham House at Richmond, *another National Trust property.* The one-time Duchess of Lauderdale taps her way around the house with a walking stick, which seems a fairly inoffensive *way of making your remaining* presence known.

If the house is closed when you visit it you still have a chance of a ghostly encounter. *A dashingly dressed cavalier* meanders around the nearby towpath, still regretting the night that he drank too much, fell in the river and drowned.

Ham's trio *of spectres is com*pleted by the ultimate in English hauntings, a spectral dog. This one, a King Charles spaniel, is a friendly little chap often seen in the daylight hours.

Theatres are always good for a ghost or two. Back in York again, that ubiquitous *English* apparition, the little grey nun, puts in a frequent appearance at the Theatre Royal. Bath's Theatre Royal is linked by a secret passage to the Garrick Head Hotel. Both establishments and the passage are hectic with the hauntings of various rowdy, and at times mischievous gentlemen, relics of the days when the Garrick was the haunt of the gambling and theatre set.

The *secret passage is also* from time to time filled with the scent of heady perfume, a memory of the lady who hanged herself after two rivals fought for her affection *in* a duel and the wrong one triumphed.

Not every hotel likes to boast *about its ghostly traditions. If* things do go bump in the night guests are as likely as not to think it is the plumbing. Trust House Forte, however, has actu*ally produced a programme of* weekends visiting haunted inns. Needless to say, the ghosts concerned are of the friendliest of natures.

The ghost of the White Hart Inn at Lincoln is said to be a small chap in 1920s dress who wanders about asking mortals: "Please help me find my ginger jar." At the Dolphin in Southampton, Molly the chambermaid can be distin*guished from her contemporary* counterparts not only by her medieval dress but also from her habit of walking two feet above the present floor level.

The THF *ghosts, like so many* others in English legends, are often associated with blighted love affairs. At the Bell Inn in Thetford a romance between Betty Ratcliffe and a local lad came to a rather more sticky end than most affairs, even in emotional East Anglia, and Betty roams the place to this day—or rather night.

East Anglia is quite rich in *ghosts, although their main* gathering grounds seem to be the cosy territories of Oxfordshire and Bucks.

We must look to the West Country for the real successor to Borley. Sandford Orcas Manor is a superb house which *you can visit at times in the* summer months. Set in the portentious depths of Hardy's Wessex, Sandford Orcas boasts not one ghost but a whole string of them.

At full moon there is a screaming ghost of a former locked-up maniac; a spirit relic of a chap who hanged himself *at the gatehouse*; a Moorish servant who killed his master by garrotting; a phantom priest who has been condemned to wander thanks to his one time associations with black magic; and the "stinking man" whose wanderings are associated with *a less than pleasant aroma.* And that is not to mention the most famous Sandford Orcas ghost of all, the Lady on the Lawn, who has been pursued by researchers and television crews alike.

If nothing else, pursuit of *England's ghosts* produces a wonderous array of tales of drama, love, violence and disappointment. They are, after all, just part of the family.

P.S. The bat disappeared. The potting shed remains as daunting as ever.

PACKAGE TOUR companies seem to be falling like ninepins these days. It hardly makes for confidence when making book*ings for the coming year.* And yet it does seem that for certain types of holidays early booking is essential. So what on earth can you do?

Protecting your money is probably the simplest exercise of all. If you buy an air tour —one using charter aircraft as well as foreign hotel rooms— the operator is required by law to have a bond to protect you against collapse. Getting money back might, however, take time so you are probably best advised to take a belt and braces approach by booking through a travel agent who also offers a 24-hour money back guarantee.

Groups such as Thomas Cook and Pickfords are among those who offer this service. In other words, if you book a holiday through them and the company *concerned ceases trading, they* arrange another holiday, or give you your money back and then sort out the details themselves.

Things get more complicated *when you are dealing with non-*charter holidays. If you buy through a travel agent which is a member of the Association of British Travel Agents, once *again your money is protected* if the agency goes bust—but not necessarily the holiday organiser.

If your trip uses scheduled *airlines then* normally one IATA (International Air Transport Association) airline will accept the tickets of another.

Ferries and cruise companies are not bonded but most of them might be considered relatively financially secure.

Coach operators are not required to be bonded, but large numbers of them are. Check on the bonding position before you book.

Once again, a TAV agent is probably the best place to buy.

The real minefield is self catering. If you are parting with a large amount of money to book a cottage in France or a villa in Portugal there are few real guarantees unless a charter flight is involved. Many of the operators are highly respectable *but deal only direct with the* public and thus do not even provide the security of a travel agency intermediary.

Sadly for newer companies, *it is probably best to book with* groups that have been around for a time and have a good reputation. Do not be afraid to ask questions, asking what *pledges of security* can be offered. The good ones will not be offended.

The big, new Lancia Thema which arrives in Britain next spring. It is fast—up to 135 mph according to engine—with excellent ride comfort and handling

Lancia woos sporty drivers

BY STUART MARSHALL

THEMA'S IMPORTANCE to Lancia's future cannot be exaggerated. The new big car comes along after a decade in which this old and once distinguished producer has been struggling, with the aid of a financial lifebelt thrown by *Fiat, to keep its head above* water.

The Beta of the early 1970s did well for a time but disappeared in the backwash of a *rust scandal.* The Gamma, though a good car to drive (and the coupe was a stunner to look at) was a commercial failure. The unfortunate Trevi, which was born looking obsolete, is no more.

Of late, the Lancia standard *has been carried by the Delta* and Prisma. These are a midsized hatchback and saloon respectively, mechanical derivatives of the Fiat Strada. The aging but still good looking HPE remains in production, too.

Lancia is now rightly obsessed with quality of manufacture and, especially, with corrosion proofing. Its cars are probably less rust?prone than *most, though this has not been* reflected in retained values because only time can prove if corrosion protection is as good as a maker says it is.

In cars, nothing succeeds like success, as Audi, BMW and Mercedes have demonstrated and Jaguar is in the process of showing. Conversely, the car-buying public takes a long time to forget and forgive a failure.

So will Thema restore *Lancia's faded glory? Will it* take on the German quality car producers—and models like the Citroen CX GTi Turbo and Renault 25—in the executive *market and win. If perform*ance, comfort and style are the yardsticks, it has a good chance of doing so.

Thema is quite a big car. It is 15 feet long and seats up to five people comfortably within its just under nine foot wheel*base. A choice of three engines* drive the front wheels through five-speed manual or three-speed automatic transmissions.

Most important is a new two-litre four-cylinder with twin counter-rotating balance shafts like those used by Mitsubishi and Porsche to overcome the vibrations inherent in a four-cylinder engine.

This engine is offered turbocharged, to develop 165 horse*power at 5,500 and maximum* torque at only 2,500 rpm, or naturally aspirated, in which state its output is 120 bhp and maximum torque is developed *at 3,300 rpm.*

Alternatives are a V6 of 2,849 cc — basically the same engine is also used by Volvo, Peugeot and Renault — and a *2.5 litre turbo-diesel.* Surprisingly, the top model in the Thema line-up is not the V6 but the turbocharged four-cylinder, for which a 218 km/h (135 mph) maximum is claimed.

The V6 is good for 129 mph and the turbo-diesel, which will not be brought into Britain, is said to be the world's fastest with a top speed of 115 mph.

The suspension is all-round independent by McPherson struts, with a *self-levelling* option. ABS brakes, allowing a safe panic stop to be made while going through an S-bend (I tried it on a test track), is *another option, as is variable* ratio power steering.

For its bid for a successful comeback in the large, executive car market after years in the wilderness, Lancia has chosen a four-door, three-box body design. Mechanically, it is state of the art rather than futuristic though one unique feature of the turbocharged model is an over-boost facility.

For a few seconds of kick-in-the-back acceleration, the turbo compressor is allowed to deliver extra pressure — "It's like pushing the throttle lever *through the gate of a World* War II Spitfire," a veteran Lancia engineer explained.

Even without using the over-boost, the Thema e.i. (for electronic injection) turbo I drove a few weeks ago was exceptionally fleet of foot and ultra-refined. On the autobahn, it held 125 mph in tranquillity. On lesser roads, it cornered flat at high speeds and showed the kind of level ride that goes with *fairly soft but well damped* suspension and a long wheel-base.

Even in the topmost model range, the Thema e.i. Turbo *with* electrically adjustable front and rear seats and fully automatic air conditioning, the interior is modern in feeling without so much as a square inch of wood veneer.

During some fairly spirited driving, the Thema was impeccably well mannered and the turbo four cylinder was almost as smooth as a straight six, even at unnecessarily high rpm.

I tried the diesel, too. With a level maximum of 115 mph and acceleration like that of a petrol engined car, it blows wide open the hoary old myth that *diesel cars don't perform. This* one does.

Thema is deliberately aimed at the sporty driver. That is why Lancia chose turbocharg*ing, not the positive displace*ment supercharger it pioneered on the Trevi and still offers on the HPE. "The Volumex (positive - displacement) super*charger gives lots of low speed* torque. That is fine for traffic —but we offer Thema buyers top-end power for use on the autostrada," Lancia explained.

UK deliveries start in the spring. Prices one can only guess at. A spread of £9,500 to £13,500 seems about right for the standard cars, though the Thema e.i. turbo with all the goodies could be nearer £15,000.

CHESS

LEONARD BARDEN

THE EDIFICE of chess opening theory, with set variations extending sometimes beyond the twentieth move, is often based on assumptions about earlier choices which may not have been fully tested. In such conditions, there is a rich harvest possible for the enterprising master or expert who can invalidate *or cast doubt on* these early automatic moves.

A case in point *is the well-*known line of the Sicilian Defence which starts 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3 and now 5...P-QR3, the Najdorf variation named after an Argentinian grandmaster.

Why should Black have to choose the fiddling P-QR3? Because *he wants to gain* ground in the centre by P-K4, and dogmatic theory has it that the immediate P-K4 is significantly inferior.

The problem is that White can answer 5...P-K4 by 6 B-N5 ch and, whether Black interposes knight or bishop.

White then has useful knight outposts at KB5 and Q5 which dominate the centre. After the *preparatory P-QR3, White has* no bishop check and his N-KB5 can be countered by BxN.

The fly in the ointment is that there have been relatively few practical tests of the immediate 5...P-K4. The move was condemned by earlier Najdorf variation specialists, and everyone since has copied their judgment.

Hence it was interesting to see *this week's game*, played in the annual Norwegian masters event at Gausdal, where Black set out to challenge the basic tenets of Najdorf theory.

As it *happened*, White had a strong idea of his own ready for action which Black failed to meet over the board: but enough questions were raised for the immediate 5...P-K4 to merit further tests.

White: V. *Jansa* (Czech).

Black: R. Bator (Sweden).

Sicilian Defence (Gausdal, Norway, 1984).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-K4; 6 B-N5 ch, QN-Q2.

6...B-Q2, allowing the exchange of light-squared bishops, clearly favours White.

7 N-B5, P-QR3; 8 BxN ch, QxB; 9 N-K3.

Earlier theory recommended 9 B-N5, NxP; 10 NxP ch, BxN; 11 NxN 0-0 but then Black has his bishop pair on an open board.

9 . . . Q-B3; 10 0-0!?

An interesting, pre-planned *gambit novelty... If 10 KN-Q5,* NxN; 11 NxN, B-K3 followed by BxN when Black has completely equalised; but a possible improvement is 10 Q-Q3, keeping White's grip on the vital Q5 square while avoiding exchanges.

10 . . . NxP.

If Black declines the pawn, he has insufficient compensation for White's central grip.

11 NxN, QxN; 12 N-Q5, R-QN1; 13 R-K1, Q-QB5; 14 P-QN3, Q-B3; 15 P-KB4, B-K3; 16 P-B4.

Stepping up the presusre on Black's uncastled king, White plays to open fresh attacking lines. Now Black errs, underestimating the dangers on the QB file. After 16 . . . P-B3 (solid) or 16 . . . P-QN4 (counterplay) White would still have to justify his gambit.

16 . . . BxN? 17 PxB, Q-B2; 18 B-N2, P-B3; 19 R-QB1, Q-Q2; 20 PxP, BPxP.

If 20 . . . QPxP; 21 Q-R5 ch is again strong.

21 Q-R5 ch, K-Q1.

A major concession, but if P-N3; 22 RxP ch! 22 Q-N5 ch, Q-K2; 23 Q-K3, K-K1; 24 R-B2.

With Black's king now *deprived of the right* to castle, his defence is hopeless with the KR and KB still out of action. White finishes logically, breaking through on the open file.

24 . . . P-KN3; 25 R(K1)-QB1, R-Q1; 26 R-B7, R-Q2; 27 RxR, QxR; 28 BxP, Resigns.

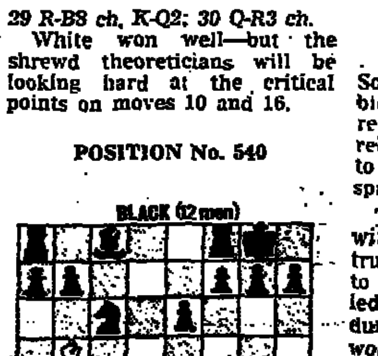
For if Q-K2 (PxB; 29 QxP ch):

29 R-B8 ch, K-Q2; 30 Q-R3 ch.

White won well—but the shrewd theoreticians will be looking hard at the critical points on moves 10 and 16.

POSITION No. 540

BLACK (12 men)



WHITE (11 men)

Revithis v. Rodgaard, Esbjerg, *Denmark 1984. White* (to move) sacrificed a pawn to reach this attacking position. He is well ahead in development but Black threatens to simplify by QxN.

PROBLEM No. 540

BLACK (5 men)

WHITE (4 men)

White mates in two moves, against any defence (by J. Haring). He has several obvious discovered checks, but the key *move is well hidden.*

Solutions, Page 18

BRIDGE

E. P. C. COTTER

I FOUND two hands which *recently came my way very* interesting—see what you think of them. The first comes from *rubber bridge:*

N
♠ 10 9 3
♡ 9 8 5
◇ A Q J
♣ A 9 8 3

W
♠ 8 6 5 4
♡ K Q J 3 2
◇ 6
♣ K 10 2

E
♠ 7
♡ 10 7 6 4
◇ K 8 7 5 3
♣ Q J 4

S
♠ A K Q J 2
♡ A
◇ 10 9 4 2
♣ 7 6 5

With North-South game, South dealt and opened the bidding with one spade. North replied with two clubs, South rebid two spades, North raised to three, and South's four spades concluded the auction.

Taking West's heart King *with his Ace, the declarer drew* trumps, disappointed at having to draw four rounds. He then led a diamond, finessing dummy's Knave, and the King *won. East returned a heart, and* West made Knave and Queen, while South discarded two club losers. Another heart, however, forced declarer to ruff, and he cashed the two diamond honours on the table, but there was no way back to hand in order to enjoy the last diamond, and the contract was defeated by one trick.

"Rotten luck, wasn't it?" said South *later, showing me* the hand. "Trumps 4—1, and the diamond wrong." "You should have made it." I replied with a grin. "It was the old proved fatal, not because it lost to the danger hand, but because it left a blocked position.

"The trump break was annoying, but the contract can still be made with a little foresight. After drawing trumps, *you should lead a diamond, play* the Ace, and follow with the Queen. East wins, and returns a heart, and you allow West to cash two tricks, while you throw clubs. Now, if West leads another heart, you jettison dummy's Knave of diamonds, ruff in hand, and cash your ten and nine of diamonds and the club Ace for contract."

"You are a real comfort," said South, also with a grin.

The second hand occurred in a team match a couple of weeks ago:

N
♠ K J 9 4 3
♡ J 7
◇ Q 9 3
♣ A 7 4

W
♠ 8 2
♡ 9 8 6 5 3
◇ 8 4
♣ J 10 6 3

E
♠ Q 10 6 5
♡ K 4
◇ K J 7 6 5 2
♣ 8

S
♠ A 7
♡ A Q 10 2
◇ A 10
♣ K Q 9 5 2

At game all, when my partner, North, bid one spade, I set my sights on slam, but instead of a scientific bidding sequence, starting with three clubs, I went straight to six no trumps.

When West led the heart five, I viewed dummy with little enthusiasm—personally, I would pass with North's cards. However, I played dummy's seven, *and when the King appeared* from East, prospects were much brighter. I led a club to the Ace, and returned a club to my Queen, on which East discarded *the five of diamonds.*

The clouds had gathered again. I played a heart to the Knave, and returned a club to my King, East completing a *peter with the two of diamonds.* That was kind—it was nice to know that East held King and Knave in the suit. I cashed the heart Queen, throwing a spade from the table.

At this stage I thought of conceding a club to West, and operating a spade-diamond squeeze against East—this is *the best line, and I should have* stuck to it—but on my heart Queen East had thrown a spade, so I decided to change to a squeeze and throw-in.

I cashed the ten of hearts, throwing dummy's three of diamonds, and East let go another diamond. In the six-card ending, I cashed Ace and King of spades, and threw East in with a third spade, forcing him to lead from his diamond King, and allow me to score two diamonds and the Knave

BOOKS

Long road to prize-winning novel

Reflections on judging the Booker Prize by **Anthony Curtis,** Literary Editor

MOST PEOPLE, as soon as they discovered I was one of the five *judges of this year's Booker* McConnell Prize for Fiction, started to commiserate with me. "Poor *you!* . . . *How* many *novels is it you're going to* have to read? . . . Dear me, you're not going to read them *all*, are you" were fairly typical remarks. Only one friend from overseas said with instant warmth, "Congratulations." For the rest, I was made to feel as if I had been sent to some literary purgatory from which I should emerge one day chastened and immunised against any desire to read fiction ever again.

"Hang on," I tried to say. "I'm enjoying it. I like reading contemporary novels": but no one believed me. They thought I was just being loyal: though to what I don't quite know. Yet it's true. I did enjoy it. To have to read all those novels, many of them so good, was wonderful, a treat, a privilege. Admittedly, no one in their right mind would wish to read novels in quite such rapid succession *as a Booker judge does at the* height of the summer when the pressure is really on him, and the parcels of five or more arrive almost by every post it seems, some of them not yet bound up as finished copies, many still full of misprints.

People are puzzled why there are so many. Well, each publisher may send in up to four, in addition to which he may draw the judges' attention to another four in the hope they *will call them in. Moreover*, the judges themselves may call in any they think have been overlooked. We called in several of *these*. At the end of the day that process adds up to a great many novels.

None of my fellow-judges was known to me personally. I met three of them (Richard Cobb, our chairman, Polly Devlin and John Fuller) for the first time *at a lunch in May*, at the headquarters of the National Book League in Clapham, with Martin Goff, the NBL's director who has been in charge of administering the prize ever since it started 16 years ago. May is an agreeable month and that first working-lunch went well. We were light-hearted with scarcely a novel in sight. "Where are the books?" we asked, like so many Noahs praying for rain. "We could do with some books . . ."

"Ah *books*," *said Mr Goff as* if the concept were new to him, "don't worry there'll soon be some books . . . Actually, this *year we're trying to cut down* on the number submitted." Lovely man! But in the event this proved not to be the case. As the prestige and value of the Prize (currently £15,000) increases, it attracts a growing number of nominations. This year there were well over a hundred.

By the second lunch in July, with Ted Rowlands, MP, present this time to make the jury complete, the books had begun to *arrive in fairly steady trickles* though not yet quite the full flood-tide. The day of decision still seemed *far off*, even the *day for drawing up the short* list of six, and, a great illusory expanse of leisure, of summer holiday time lay ahead. But *if the pressure to decide* was still almost imperceptible, there were by now plenty of names of authors and titles of novels being bandied about across the table: we were like a convention of conjurors trying-out our cornucopia boxes on each other. Suddenly there were streamers of novels everywhere, all over the salad, the cheese, the wine: novels seemed to be spurting out of people's ears as well as their mouths. "Have you read X. . . ?" "Yes: surprisingly good" "What about Y. . . ?" "It only arrived this morning." "I could not get on with Z. . . ." "Oh, could you not? I loved it." A *five-part conversation* conducted along these lines, confined entirely to novels, some of which you have read, others *you are soon going to read*, is a remarkable experience: both confusing and stimulating. By the end of it I was reeling . . . high on novels and the thought of novels.

At this hectic state certain individual predelictions and enthusiasms had begun to emerge. There is no shorter road into a person's nature than to give him or her a huge batch of novels to read, then to hear which he liked, which he loathed and why. Not only that: you also learn a great deal about yourself. Your own attitudes appear in sharp relief in this situation, more starkly somehow than when you write a review of a novel and then read the other reviews. It makes you realise how subjective the process of literary appraisal really is. How can there ever be some impersonal criterion by the light of which you can judge the worth of a novel?

You may, for example, be a devout Catholic in which case a novel by Mauriac will have for you a significance which cannot be shared by an agnostic: or you may be an orthodox Jew in which case a novel by Bashevis Singer will strike an atavistic chord that another reader will be deaf to. I would agree that the work of a truly great novelist is seen eventually to *have universal significance*: it gains recognition and readers far in excess of those in the novelist's own peer-group, but this process takes times and is often only complete after the novelist is dead. In judging the Booker Prize we are having to respond to a mass of novels of widely different aims and background some of them still waiting at that stage to be published. First reactions are likely to be chancey to say the least. For this reason I think it is a good thing that there are five judges on the panel, among such a quintet you should if *you are lucky*, and we were, have a measure of built-in correction to any single individual's prejudices, though naturally *these can never be totally* eliminated.

Those two exploratory lunches were in the basement of Book House, a long cool room with whitewashed walls. For our short list lunch we went up to the director's office on the first floor, with all the books submitted to hand in an adjoining room. I am not going to reveal anything that was said during our final sessions. Like a real juryman in a court of law I am pledged to hold my tongue and I think that is right. All I will say is that anything you may have read about them up to now is wildly inaccurate. Each judge had several more books than the obligatory six that he or she would have liked to have seen grace the short list. Each *of us. I guess*, suffered a pang or two of remorse for a favourite book that did not make it.

For the last session of all we went to Booker McConnell's own high-rise office in the city where we assembled in the boardroom at the top around a green baize table. Our elevation was complete. We were closeted there from four o'clock in the *afternoon* for nearly three hours with the six books and after a lively meeting emerged unanimously with *Hotel du Lac* as the winner, in time to change for the banquet *at the Guildhall*.

It was a good choice because, apart from drawing the attention of a wider public than *those who read book reviews to* a work of superb artistry, it has provoked with those who have been spurred to express *their disagreement, a dialogue* about the scope of serious fiction in Britain today which may prove valuable. If on the basis of "reading all those novels" I had to try to generalise—by next year the pattern may have shifted out of all recognition—I would say that the novel today is in a phase of scepticism about its own validity and the validity of the literary image.

With the exception of Ballard's *Empire of the Sun* where the mediating mind, that of a 12-year-old boy, is essentially immature and naive, and the whole focus of the narrative is on a moment of recent history, all the novels on the short list were in varying degrees coloured by this pervading scepticism. In both Lodge and Barnes it is seen in its most radical form tempered by comic and ironic virtuosity; in Desai, Lively and Brookner it continu*ally interrupts the narrative* shattering the placid surface of the prose, like a jagged stone skimming across the surface of the lake: and it was present equally in several fine books that did not appear on our final list.

Michael Caine, Chairman of Booker McConnell, with Dr Anita Brookner soon after he had presented her with the cheque for £15,000

Fiction

Seven years inside

BY MARTIN SEYMOUR-SMITH

The True Confessions of an Albino Terrorist
by Breyten Breytenbach. Faber & Faber, £9.95. 396 pages

Noah's Ark
by Barbara Trapido. Gollancz, £8.95. 255 pages

Machine Dreams
by Jayne Anne Phillips. Faber & Faber, £8.95. 331 pages

An Evening With Brahms
by Richard Sennett. Faber & Faber, £9.95. 322 pages

Mexico Set
by Len Deighton. Hutchinson, £8.95. 381 pages

Breyten Breytenbach, born in 1939, *already had a reputation* as a writer, when in 1975 he was sentenced by the South African government—on some pretext or other—to detention. They might as well not have bothered, and one wonders why they did (unless they simply enjoy being cruel). He was released in 1982 and soon went to Paris, where he and his work represent the very best of the opposition to the system whose function it is to confine such people.

The True Confessions of an Albino Terrorist is his account of the seven years he spent in gaol. It is not strident or political, and does not need to be. But nor is it artificially restrained. His is simply the story of what it is like to be a humane man and to be locked up by the sort of people who practise *apartheid*. The book has the unmistakable ring of *truth. Strictly speaking, it is not* a novel, but rather a kind of sequel to and commentary upon the author's *Mouroir: Mirrornotes of a Novel*. But it is most conveniently treated as a novel, because the tone is imaginative throughout—and there are poems at the back of it, as there are of course at the back of *Zhivago*, than which this is a better book. All autobiography, after all, has to be fiction in the sense that it can only select what it finds to be most signifi*cant. Breytenbach selects with* an uncanny brilliance. Now we know what it is like to encounter and to be helpless be*fore the sort of person* who is trusted by the South African government. And we know what it is like to be confined for seven long years by these people.

This book takes its place as a prison classic, a richly humorous and yet appalling account of confinement. For those who remember E. E. Cummings' *The Enormous Room*, this is reminiscent; but it is at least twice as grim and twice as imaginative as that classic tale of stupidity and cruelty. The poems at the end, presumably translated by Breytenbach from his own Afrikaans, are moving and *original. This author is one* of the most gifted now living, and a worthy compatriot to Athol Fugard.

Barbara Trapido was much praised for her sparkling first novel, *Brother of the More Famous Jack*. This one is even better. Frenetic writing can often become a bore: it seldom maintains its pace, and quickly palls. *But this author can and* does keep it up. *Noah's Ark* is about a crazy marriage between two people who ought not to *be compatible, but are*: he is a practical scientist, she is an eccentric irrationalist. When he comes into her life he organises it admirably, tolerantly, understandingly and generously. But then, while he is away at a conference, she is tempted back out of her serenity and back into her dangerously erratic past.

The author's account of all this is invariably humorous; but *Noah's Ark* is by no means just a humorous book. It contains a good deal of subtlety and even tragedy beneath its hilarious surface. The nature of her protagonist's past is very knowingly hinted at, and the novel has much charm.

Jayne Anne Phillips' *Machine Dreams* comes from America; the author has already written a much praised book called *Black Tickets*. This tale of small-town *Americans working up, so to* say, through the 1930s, 1960s and 1970s towards the trauma of Vietnam seems to me to resemble nothing so much as a conventional family saga. The writing is competent, the sexual detail monotonous and lucubrated, the whole informed with an average intelligence.

The author will have, however, to do rather better than this to become a "major voice" (whatever that is in these days when everyone is "acclaimed" — you cannot avoid it, even by not writing a book, it seems) in American letters. This is not a bad book, and certainly it was worth publishing; but I wish publishers' blurbs — and particularly those of excellent *publishers — could be more* realistic.

Richard Sennett's novel is a cleverly counterpointed story about music. Alexander Hoffman is an accomplished young cellist; but he is unhappy because he cannot integrate his life and his art. As the story of his discovery of himself is traced (in finely intelligent detail), *so also is that of* Brahms and his tragic love for Clara Schumann. Anyone who is interested in music will appreciate this excellent and well-written novel, which is markedly original and hearteningly lyrical in its approach.

Barbara Trapido: erratic heroine

Len Deighton's *Mexico Set* is the second in a trilogy called *Game, Set and Match: Berlin Game* was the first. But each is a self-contained book. This seems to me to be Len Deighton parodying himself. We have seen it all before. Of course it is skilful and smoothly written, but it adds nothing. It may well leave the "conventions *of* the spy novel well behind," but it by no means leaves the Deighton conventions behind.

Shock, horror

BY JOE ROGALY

Lies, Damned Lies and some Exclusives by Henry Porter. Chatto & Windus/The Hogarth Press, £9.95. 211 pages

The British Press is in danger of destroying itself, and, with itself, an essential counterbalance to authority. The tabloids tell lies, trivialise events, and substitute mindless entertainment for what should be an information service to an educated populace. The lobby system is a device for manipulating the Press—tabloid and posh alike—and is thus an arm *of authority*. The ownership of the national Press is heavily Conservative; in consequence the Opposition is subject to a continuous *lash of bias, distor*tion and propaganda.

We urgently need a book to expose these inadequacies and iniquities of the Fourth Estate. Unfortunately, Mr Porter has not provided one. He has, rather, *drawn on the deep well* of known fabrications in the popular Press and rehearsed famous errors of judgement in the "*quality*" Press (the publication in the Sunday Times of extracts from the forged Hitler diaries, for example). So we are served with a made-up quote here, a complete piece of fiction about flying saucers there; here a falsified Nissan scare: there a fraudulent "interview" with a Falklands war widow: everywhere a piece of *fanciful nonsense about* the Royal Family. Mr Porter has also produced evidence for the proposition that newspapers are held in cynical contempt by politicians who lie shamelessly even when they or their paid traducers of the truth reach Downing Street.

The trouble is that the contempt is deserved, at least by newspapers that are themselves infected by an amoral approach to truth. Mr Porter, alas, does not delve deeply enough to consider whether this means every newspaper. The British Press is, after all, still good in parts. Again, does the provincial Press make up for Fleet Street's excesses, or emulate them? What contribution is made by *radio and television*? In short, to what extent does it matter to the democratic process that the tabloids have become mere *appendages of the* entertainment industry?

I think it matters a great deal, partly because the contemptuous attitudes engendered by the worst among us affect us all, and, more dangerously, because those whose policies would curtail the freedom of the Press (perhaps the "Right to Reply" campaigners?) are *more difficult to combat* while so many are so blatantly abusing that freedom. Mr Porter's book makes the mistake of providing ammunition to such people, without achieving the depth of analysis necessary to draw a distinction between the worst and the tolerable-to-best. The matter is too serious for such treatment; all who hold *the profession of true journa*lism in high regard should seek to treat it seriously, and quickly.

Energy of Eric

BY ISOBEL MURRAY

***Eric Linklater: A Critical* Biography**
by Michael Parnell. John Murray, £16.00. 376 pages

Eric Linklater nearly died in 1918, when a German bullet hit *him in the back of the head*, passing twice through his tin hat and very nearly finishing him. Instead he recovered, although marked for the rest of his life, not so much by his physical scars as by two main emotional reactions.

One of these was an enhanced sense of life and its possibilities, a desire to live as fully as possible, an exuberance both in his life and travels and in his books. Michael Parnell rightly suggests that "*exuberant*" *is the right adjective* for Linklater's post-war student days in Aberdeen: it remains appropriate for most of the rest of his life, which ended in 1974.

The other lasting result of that near fatal bullet was an attention to and a respect for British fighting soldiers. Parnell describes Linklater's relationship with the army as "a love affair to *which he* was never really unfaithful for the rest of his life," much as Evelyn Waugh described Guy Crouch*back's love affair* with the army in 1939. When the Second World War was imminent, Linklater flirted with pacifism and simultaneously half-wished he had gone to fight the Fascists and Nazis in Spain; but like Guy Crouchback he found the issues of 1939 finally clear: "Evil was not only positive in the world, but evil had mobilised and *become* aggressive." And so he went into that war too, largely with his pen, and followed the allied attack on *Italy* for six months to write a preliminary history of the campaign, as he would go later to Korea for a similar project.

The story Michael Parnell tells is a lively and varied one, like Linklater's own novels, the current unreasonable neglect of which is a major theme. Linklater remained a "*man's man*," and although happily married something of a male *chauvinist*, whose travels and adventures were rarely curbed by the demands of domesticity: his widow recalls *that he remained* "a roaming bachelor" well on in his marriage.

Such travels were meat and *drink* for Linklater, and material for many books: his travels in prohibition America in the 1920s fed his great picaresque *novel Juan in America*. His foray into the field of Scottish politics when he stood as a Scottish Nationalist candidate *for East Fife* in 1933 resulted not in electoral victory but in another very effective novel, *Magnus Merriman*. And the war in Italy inspired *Private Angelo*.

Linklater emerges as a very talented and necessarily prolific writer. As well as his novels and short stories, Parnell tells of vain aspirations to poetry, and much frustration *with* the *theatre*, lasting preoccupations with Viking history and the Scottish past, resulting in many volumes of historical *reassessment*. And three volumes of autobiography suffer the same commercial and critical neglect as the novels.

Clearly Parnell is right that this neglect of an extremely accomplished comic novelist is obtuse and perverse. The critics seem to have abdicated responsibility, but the public always bought and enjoyed his books. Why doesn't an enterprising publisher appeal again to the paperback market?

Ma Jong with grandfather

BY RACHEL BILLINGTON

Parachutes and Kisses
by Erica Jong. Granada, £8.95. 365 pages

It is a bad look-out for the liberated woman when Erica Jong loses her faith in the great god, Sex. *Parachutes and Kisses continues the story of the re*doubtable heroine of *Fear of Flying*, Isadora Wing. Now a mother, thrice divorced, approaching forty, she steps into an uncommercial area of self-doubt. Was she wrong all along? Does the answer to life lie not in the notorious "zipless ——" but in her ancient Russian Jewish Grandfather? Should this beloved "Papa" with his unfulfilled ambition to become the next Picasso be the subject of her next book?

One can almost hear the groans of her New York publishers (fictional or otherwise) who, after all, have never been short of Jewish grandfathers but haven't found as many to tackle sex with quite so much enthusiasm as Ma Jong. To put my readers, and hers, out of suspense, let me say that the grandfather never really had a chance.

Erica Jong may not be the world's most elegant writer but what style and wit she has is best displayed in the bedroom — or car or living-room. Indeed one should not underestimate this area of talent which may well call for greater imagination than the "Grandfather" school of writing.

Personally, I blame her advisers for the Jewish funeral scene. The embarrassment of *her poem to her dead grand*father is only equalled by her aunt's description of the great painting he completed long ago and then mislaid. Perhaps Ms Jong felt some misgivings after this scene for the theme is allowed to lapse in favour of many jolly chapters of sexual escapism. Motherhood, it is true, has introduced a slightly chilly note with some accurate portraits of the mother's help who renders the mother helpless. But in general and apart from a dead and inefficient accountant, this is Isadora drowning her sorrows in blissful hedonism. Then horror of horrors, like some infectious disease not altogether eradicated, it flames up at the end. Isadora goes to Russia.

This final chapter, echoing in strange parody, a David Lodge or Malcom Bradbury East European literary tour, sees Erica Jong at her most unconvincing. Its position in the book is all the odder since she has already found her future in a glorious golden-headed lover, 14 years younger than herself. However a theme is a theme and not to be discarded lightly.

The final paragraph strikes *strangely romantic* bells of rememberance:

"Falling asleep, Isadora promised herself that she would start writing the book about Papa, as soon as she got home. But she really did not need to find that lost painting, if it had ever existed. She was that lost painting, she thought. She was the periscope of his death. And she was still alive."

Gone with the Wing?

On the game

BY RICHARD WHITE

The Invisible Children
by Gitta Sereny. André Deutsch, £9.95. 254 pages

In 1983 a total of 1,454 girls between 14 and 17 were reported missing to Scotland Yard's Missing Persons Bureau. *Many of those may suffer the* fate described in this book, an adolescent life of prostitution.

We do not know how many children engage in this life and the book does not enlighten us, but through a number of case histories it does demonstrate the misery they will experience. Cases in Great Britain, the United States and West Ger*many are considered and have a* number of common factors. Most notable among these is the alienation of the children *from their families, which leads* them to be easy prey for organised prostitution or for those whose perversions lead *them to abuse children*.

Although children and sex is a subject likely to catch the attention of a wide group of people, the case history approach may well not stimulate an immediate response as to a major scandal which must not go unchecked. *In a society* which frequently chooses to ignore individual tragedies, it is almost too easy to dismiss the *problem as peripheral*, especially as most of the case histories are not from this country.

As a result the wider significance of the book could be lost, and it is a pity that Gitta Sereny did not draw out more of the lessons to be learned from the children themselves, and the comparisons to be made between countries. In part the children voice their own confusion, pseudo-maturity and broken childhoods, but *ironically the facility of having* someone speak for them and protect them is just what they have lost.

Child prostitution is one aspect of a wider problem of the sexual abuse of children. We now know that sexual abuse within the family is a more frequent phenomenon than has hitherto been admitted. Part of the problem is society's desire to ignore it, except as a cause for indignation or titillation. Sexual abuse is one symptom of a *warped or undeveloped* relationship between parent and child; and child prostitution may be one outcome of the child *rejecting* that relationship. Thus these children are extreme examples of a much larger group of children whose adult*hood is blighted* by the failure of their parents to act adequately as parents.

The case histories show how easy it is for children to slip into the "game," and, although this is not yet shown to be the case in Great Britain, into drugs and organised crime. Two interviewees were aged 13, the daughters of an accountant and a local government officer, who made weekly visits to the West End of London for "pocket money." That should convince the sceptics that here is a problem not to be pushed aside as limited to the fringes of society.

At the same time we cannot rely on the "authorities" to produce solutions; they can only pick up the pieces and even then a prudish establishment may simply drive the problem underground. The difficulties need to be observed and resolved before more *children set out on a life of* such appalling misery.

Poetry

Prophetic soul

BY CLIVE FISHER

Station Island
by Seamus Heaney. Faber and Faber, £5.95. 121 pages

Preoccupations
by Seamus Heaney. Faber and Faber, £2.95 (paperback reissue). 224 pages

There are always reasons for a book's revival; and there should always be reasons for a seance. *Preoccupations* appeared *in 1980; and this selection of* Seamus Heaney's prose clearly returns now as a welcome, though not crucial, concomitant to *Station Island*, his latest anthology. After five pages of the latter, however, I found myself perplexed: why had *Heaney committed* the first of the book's three chapters to a tacit communion with ghosts? He declares that the soul's incandescence comes from "a whole late-flooding thaw of ancestors" and cites as evidence versified memories triggered by possessions reencountered.

His premise left me sceptical; and whatever its accuracy, what point is there—for him or us—in these perilously atavistic exercises which, ingrown and self-reflexive, border occasionally on the arrogant? What did the associations hold for us of sloe-gin or remembered kitchens? Heaney can capture a recalled vision: but nothing seems more remote than alien faces in faded photographs. However, the central section, the title-poem, proved me *impatient*.

An awareness of the provenance of possessions can imply also an awareness of *time's continuum: through* memory, past is rendered present and ghosts may be liberated. Station Island is a mecca *for pilgrims: and* there Heaney meets phantoms from Ireland's history and his own. One notices, in these 12 brief encounters, a tonal change. Sensuous alertness is replaced by directness: "His brow was blown open above the eye and blood had dried on his neck and cheek." I was at first dismayed by what I considered the implausibly equable cadences of the colloquy between flesh and spirit: there is none of Horatio's sublime disgust here. But, like Eliot's phantoms in *The Four Quartets*, Heaney's promise explanation of past and future, rather than vengeance for bygone betrayal. These stately meditations are not merely rehearsals of dead time, they are — for Heaney — dramatisations of absolution and reassurance.

Once again, with the book's last chapter, the timbre of the poetry changes: simplicity yields to more fractured reminiscence.

After glancing at his own and modern-medieval Ireland's predicament, Heaney ends with *the* image of a road and a biblical quotation of renunciation: "Sell all you have/and give to the poor." *Station Island* is not a volume of autonomous lyrics; read separately, the poems appear distant and inexplicable. It is emphatically a sequence. Only as such does it satisfy.

HOW TO SPEND IT

by Lucia van der Post

Postal orders

FOR ME most of the real pleasure of Christmas comes with all the last-minute rounds of shopping and feasting but I seem to be one of a dwindling minority. We have become a nation of planners and if the letters coming into my office are anything to go by the women of the *land (who, in spite of all we read about* current trends, still seem to be the ones in charge of organising Christmas) could teach any Nato General a thing or two about campaigns and organisation. So for all those who like to have their present-buying lists ticked clean by the middle of November here is the first instalment of a guide to some of the best of the *mail order catalogues around.*

I hardly need to elaborate on the advantages of mail order shopping by now. Any trip to a large shopping centre is enough to bring them quickly to mind. It avoids the hassle of travel, of parking, *of crowds,* of humping home heavy parcels but against that you have to set the fact that catalogues are inevitably just edited selections of a much wider range of goods on offer. Catalogues themselves are also seldom free these days, often costing more than a glossy magazine.

Though the large stores, like Harrods and Selfridges, offer hefty catalogues in an attempt to find something for everybody, to my mind the most charming and indeed useful ones are the smaller, more specialist catalogues (like Eximious or The General Trading Company) which *have a distinct* character to which one responds with enthusiasm of distaste.

In the early days of mail order many potential customers were quite rightly rather chary of sending off cheques into the blue yonder, uncertain of whether they would ever see either the goods or the money again, but today the industry is much more disciplined and controlled. Any company *belonging to the British* Direct Marketing Association (you can always check with the company itself or with BDMA) agrees to abide by a code of conduct which guarantees nobody loses money, that money is refunded if the goods are returned in a saleable condition within a stated amount of time, and so on.

Advertisements placed in the national press will have been screened *by the* National Press Association and a fund exists to make sure no customer loses *money,* while *the Periodical Publisher's* Scheme protects readers who order from advertisements placed in the pages of magazines. The two remaining loopholes are companies advertising in the classified advertisements (nobody has so far managed to screen them all) and by direct mail. By and large most of them are operating a perfectly honest and honourable business; it just means that there is no absolute guarantee of your money back if anything should go badly wrong. As an official at BDMA puts it: "When you compare the number of items bought each year, the number of customer complaints each year is very small."

No mail order company, however honest and well organised, can arm itself against those quirks of human behaviour which cause some 100,000 people all to want the same peppermill when the computer predicted that just 5,000 would fall for it. If that happens somebody, somewhere is bound to be disappointed.

Taken overall, mail order has been a blessing and the old, the sick, the weary, *and the overworked can nowadays shop for* almost anything from the comfort of their own fireside.

LIBERTY, Regent Street, London W.1, £1 by post or from W. H. Smith branches.

Beautifully photographed, nicely edited selection of the best this idiosyncratic store has to offer. If you're a sucker for Liberty fabrics you can buy it ready-made into anything from little dolls to photograph frames, from padded hangers to notebooks, from sewing kits to sponge-bags. Very pretty scent bottles, *drawer liners and a nice* selection of presents for men (smashing socks in Missoni and other designs) including one of the nicest briefcases I've come across—in antique-looking leather, it is soft, capacious and unaggressive and at £87 seems a good buy.

HARRODS, Knightsbridge, London SW1. £1.50 from W H Smith branches or by mail (95p extra) from Harrods itself.

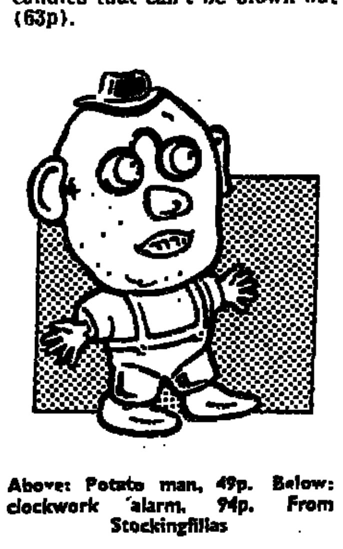
Fat, glossy and comprehensive it seems to have developed its own rather irritating advertorial style and tries too hard to please all of the people all of the time. I'd rather it were much more direct in its message and its information but there is undoubtedly something here for everybody. From the offerings of the food halls to the seductive photographs from the pet department, there is hours *of perusing and drooling for* those who have the time. Through it you could give your loved one something as small as an acrylic peppermill (£4.50), as luxurious as a mink coat (£1,995) or as bank-breaking as a Queen Anne style bureau for £13,950.

SELFRIDGES, Oxford Street, London W1. £1.20

Another big, glossy catalogue that masquerades as a magazine. Covers everything the shop sells from whirlpool baths to Stilton cheese. Through it you could buy something for everybody, from *the smallest child* to the most demanding adult. You could kit yourself out for skiing, buy your man a suit, send your great-aunt some cut-glass decanters and order a teenager a good hi-fi.

STOCKINGFILLAS, Tennant House, Fence Avenue, Macclesfield, Cheshire. Free, just send a sae, 9 in by 6 in.

The catalogue for—you've guessed it—all those small stocking fillers that are what make Christmas memorable for children in particular, but also for teenagers who like the small, jokey items. Over half the presents on offer cost under £1 and there are party packs *and a section on adult stocking* fillers as well. Look out for the magnetic holder for keeping a spare key safe (£1.96p) and a small dynamo torch (£1.48p). Children will love the toothpaste shaped pencil case (£1.45p), the sugar lump that dissolves to reveal a small *floating insect* (33p), and the candles that can't be blown out (63p).



Above: Potato man, 49p. Below: clockwork alarm, 94p. From Stockingfillas

SAVILLE-EDELLS, 25, Walton Street, London SW3, £1

If you like the atmosphere of a small shop but don't want the bother of actually having to get there, then this is the brochure for you. Saville - Edells specialises in what it calls *Objets Extraordinaires* and though some of the *objets* may be *too extraordinaire* for some tastes (for whom, I ask myself, can the hand-painted porcelain lobster perched upon a brass base and costing £225 be intended?) some of them have much charm. There is an elegant selection of table glass, some pretty French porcelain terrine dishes and a whole series *of handmade cushions* embroidered with messages (to give you the flavour here are just two of those on offer—Good Girls Go To Heaven, Bad Girls Go Everywhere and I Am A Luxury Few Can Afford).

Tray with a detachable cushion, £18.90 from The General Trading Company.

EXIMIOUS, 10 West Halkin Street, London, SW1 £1, refundable on first purchase.

If the idea of initials on everything appeals to you, then this is the catalogue (and the shop) for you. An aura of refined country-house living manages to *permeate the catalogue,* something to do with the clever props and the items themselves, all of which are exactly the appurtenances that are an intrinsic part of genteel, upper-class rural life (solitaire boards, imitation, for these conservation-minded days, ivory hairbrushes, cut-glass inkwells, visitors books, mahogany shaving bowls, silver photograph frames).

City-dwellers will find plenty for them, too, and for those who find the man in their life a problem when it comes to presents, Eximious could be the answer — lots of understated, classic, timeless ideas like monogrammed luggage, towelling bathrobes in chic navy edged with red, monogrammed slippers (calf leather or velvet) and a host of leather items.

ASPREY, 165/169 New Bond Street, London, W1, £3.50 for the catalogue.

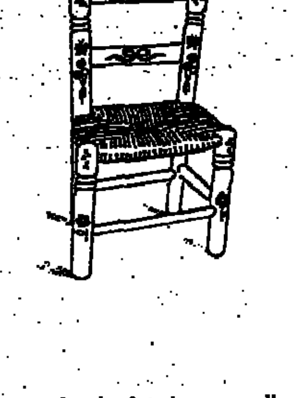
If you are troubled by what to give that curious chap who has everything, you need look no further. A 5in high silver golf bag, filled with six silver drink stirrers at £225 might be just the thing. Or there is a pretty enamelled cork (for when he doesn't quite manage to polish off the claret) at £8.50. Or a handy little clothes brush with a zipped compartment in the top holding a comb, file, nail scissors and bottle opener for £30. And if he has a dog who has everything, well the sterling silver dog bowl at £1,500 is a snip.

MOTHERCARE-BY-POST, PO Box 145, Watford, Herts. Free.

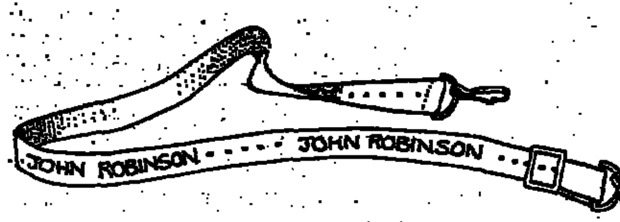
Not so much a catalogue more a colourful leaflet but brimming with good ideas for the nursery set. There's a charming multi-purpose satchel in fine bright colours for £8.99, an inexpensive wooden dolls' house for £29.99, a jokey Mickey Mouse lunchbox for £2.99 and, useful for the whole family, a cheerful bright green apple-shaped blackboard for £7.50.

PARROTS, 56, Fulham Road, South Kensington, London SW3. £1.30.

The present shop *par excellence*—full of jokey executive toys and items covered in the sort of slogans schoolchildren love. Crossword loo rolls (£2.20 each), brass cleaning kit for "The Man Who Likes Knockers" (£3.30) you get the drift?. However, there is plenty too, for those who prefer more serious presents (cache-pots and kitchen *gadgets, photograph frames and* reversible belts) but it is also one of the great sources of the personalised present — umbrellas, children's chairs, belts and a host of other items can all be made to seem individual and special by choosing the initial or the monogram.

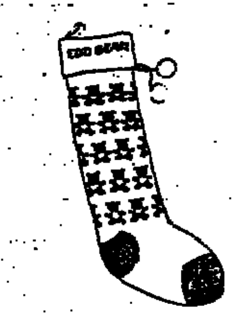


Above: hand-painted personalised chair for the small sea, £44. Left: personalised umbrella, £7.95 in red and for children or £8.95 in blue ad white for women. Below: one of a series of personalised straps% choose from a lead for pits, £3.50, a luggage strap, £3.95 or a camera strap, £4.50. Order by mid-November. All from Parrots.

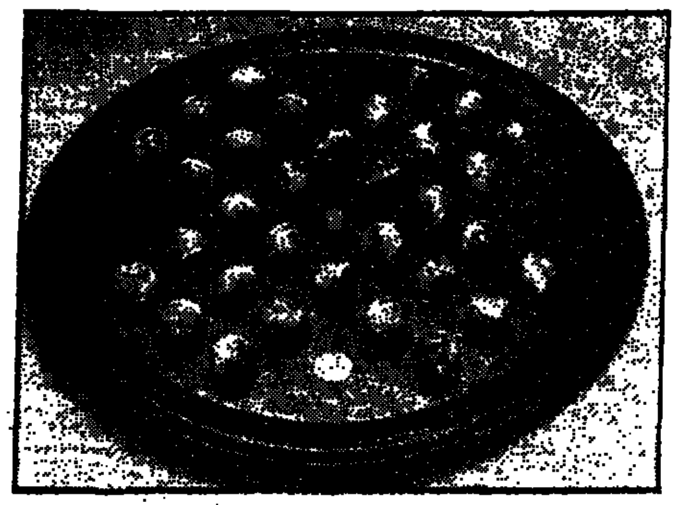


THE GENERAL TRADING COMPANY, 144 Sloane Square, London, SW1. Free.

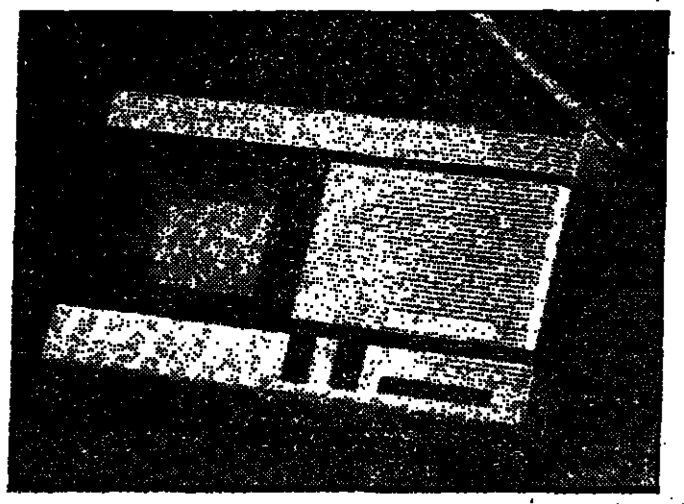
My idea of the almost perfect catalogue — small, exquisitely photographed, a beautifully edited collection of totally desirable presents. A perfect illustration of the Small Is Beautiful philosophy. It offers 109 different ideas for Christmas from a charming breakfast set for a small child (white toast rack, honey pot and mug embellished with yellow teddies, a la Pooh) to elegant plain decanters and takes in selections of jewellery, book-ends, pottery and leather.



Above: banana bookends, £11.40 each. ...Top right: honeypot, £7, mug, £5.05 and toastrack, £7.55. Right: knitted Christmas stocking, 56 cm long, £3.85. From The General Trading Company.



Plain wooden solitaire board, £55, Asprey.



9 carat gold Sinclair mini TV set, £2,200.

Bright green apple noticeboard, £7.50. Mothercare-by-post.

COOKERY

Making a habit of monk fish

BY PHILIPPA DAVENPORT

MONKFISH or Anglerfish (or Lotte or Baudroie as the French call it) is no beauty to behold: a sludgy mud-green deep-sea beast weighing up to 20 lbs, with an enormous and hideous head from which sprouts what looks like a baited fishing rod to lure other fish into its capacious jaws. Even the unsqueamish French do not care to see monkfish displayed in its entirety on the fishmonger's slab; only the detached tail-end is offered for sale—an elongated cone of dense flesh hugging a cartailaginous spine and encased in a mackintosh skin.

Ugliness, however, belies beautiful eating qualities: the flesh of monkfish is wonderfully succulent, sweet, milky white and firm. Highly prized by housewives and chefs on the Continent, it is now making its mark in a big way with good fishmongers here—and in restaurants where I regret to say it is sometimes served up in the name of lobster or scampi.

Those who live in the fishmongerless wilderness of the English countryside may have given up all hope of being able to buy locally any fish other than routine cod, coley, smoked haddock and frozen prawns. But you may well find, as I have done, that however meagre his normal stocks, your local *soi-disant* fishmonger will prove willing to order in monkfish (or indeed other fish) especially for you. The proviso, I have found, is that one buys 7 lbs of fish at a time, this apparently being the minimum order the retailer can place with his wholesaler.

Seven pounds sounds a lot but it is nearer 5 lbs after skinning and filleting, jobs the fishmonger will of course do for you. Neighbouring friends will probably be delighted to split the purchase with you. Alternatively you can freeze what is not needed for immediate use. Providing of course that the fish is fresh, it can be frozen raw for up to three months or as a cooked dish for one month.

Monkfish is not cheap (last week it cost me £2.30 per lb) but the best fish, just like the choicest meats, are never cheap —and when you reflect on the prices of other fine fish such as sole, sea trout, salmon, turbot and scallops, monkfish seems remarkably good value.

The excellence of monkfish makes it admirably suited to very simple treatments: slivered raw for shashimi, macerated in lime juice for ceviche, poached and served cold with mayonnaise, or grilled on skewers with chunks of red pepper to be served with plain boiled rice, bunches of watercress and Hollandaise sauce.

Fillets of monkfish are also excellent grilled whole. In summer I marinade them in olive oil with a cut garlic clove and sprigs of fresh herbs; after grilling I lay them on a dish lavishly strewn with fresh chopped green herbs, pour on melted butter, cover with an aromatic blanket of yet more herbs and surround the fish with tiny new potatoes steamed in their skins.

Monkfish is equally suitable for composite dishes. Its beautiful flavour and firmness of flesh marry well with other ingredients and can stand up to robustly flavoured sauces. These points are well illustrated in the following recipes which seem to me particularly appropriate for *winter eating.*

I have written the recipes with a view to making life easy for those cooking for friends — all the preparations being done well ahead to minimise last minute effort required — but they can of course be cooked from scratch on the evening of *serving if preferred.*

●

LITTLE MONKFISH PIES
(serves 6)

●

The puff pastry lids for these pretty little pies are cooked separately from the filling. This produces beautifully crisp pastry and avoids the potential danger of overcooking the fish. It also makes for easier serving. Quantities may seem modest but both creamy filling and crust are very rich.

1¼ lb skinned and filleted monkfish; ½ lb shelled prawns; 6 oz small cap mushrooms; butter and flour; generous ½ pt each richly flavoured fish stock and thick cream; freshly-grated Parmesan cheese; lemon juice; dill leaves; salt and pepper; 2-3 x 7 oz packets of frozen puff pastry; beaten egg to glaze.

If using frozen prawns, defrost them for 8 hours or overnight in the fridge — this maintains flavour and texture much better than fast thawing. Drain off the thawing juices and save them for fish stock.

Defrost the pastry at room temperature for a couple of hours. Two packets are just enough to make six lids if you are skilful, three packets give plenty of leeway. Roll and cut out the pastry to make six lids, *using an upturned individual* pie dish as template—T. G. Greens No. 4 size is ideal. Make the lids a bit larger than the pie dishes to allow for slight shrinkage in baking. Knock up and flute the pastry edges. Decorate with pastry trimmings and set aside in a cold place.

Slice the mushrooms thickly and sauté them in very little butter over fairly high heat for several minutes. Transfer to a plate and reserve.

Trim the monkfish removing the membrane if this has not been done by the fishmonger. Pat the fish dry and cut it into generous bit-size pieces. Dust them lightly with well seasoned flour and fry, a few pieces at a time, in a little very hot butter until lightly coloured on both sides. Transfer to a plate and reserve.

Make a smooth rich sauce in a heavy - based flameproof casserole, using ½ oz butter, 2 tablespoons flour and ½ pt each fish stock and cream. Season the sauce with a heaped tablespoon of Parmesan, lemon juice, some fresh chopped dill leaves or dried dillweed, salt and pepper: it should taste very savoury. Stir in the monkfish, mushrooms and prawns. Cover the dish, cool it quickly then *refrigerate.*

In the evening, glaze the pastry, sprinkle the baking sheet with a little cold water, and bake at 425 F (220 C) gas mark 7 for 15 minutes or so until the pastry is puffed up, golden and crisp.

Meanwhile reheat the filling gently but thoroughly in the covered casserole on top of the stove, just stirring the mixture occasionally. Thin the sauce with extra cream and/or stock if it needs it and check seasoning.

Spoon the mixture into hot pie dishes and top each with a pastry lid just before serving. Steamed broccoli and bootlace slim Kenyan beans make good vegetable accompaniments.

●

LOTTE A LA NIÇOISE
(serves six or more)

●

Favourite Mediterranean ingredients give this colourful dish its sunny rich flavour. It looks best served on a large shallow dish, piled in the centre of a ring of saffron rice. A crisp green salad goes well on the side.

2¼ lb skinned and filleted monkfish; 1 medium-large onion; 2 red peppers; 2 x 1 lb 12 oz cans of Italian plum tomatoes; garlic; coriander seeds; fennel seeds; fresh or dried basil; 3 oz black olives (tiny Provençal olives for preference); olive oil; lemon juice; sugar; salt and pepper. For the garnish: 2 fat garlic cloves, very finely chopped; 4 or 5 anchovy fillets, snipped into small pieces; a few spoonfuls of coarsely chopped parsley.

Cut the red peppers into chunks and roughly chop the onion. Prepare some garlic, 5 or more cloves as you wish, chopping them finely not crushing them in a garlic press. Lightly bruise with mortar and pestle a tablespoon each of fennel and coriander seeds. Trim the monkfish, removing the membrane if this has not been done by the fishmonger. Pat the fish dry and cut it into generous bite-size pieces.

Heat a large sauce-pan or shallow flameproof casserole. Barely film the base with olive oil. Add the red peppers and fry, stirring and turning until nicely seared. Remove the peppers and reserve them on a plate.

Add a little more oil to the pan. Dust the fish lightly with well seasoned flour and fry, a few pieces at a time, until lightly coloured on both sides. Transfer to a plate and reserve.

Add a little more oil to the pan and cook the onion *fairly* gently for a few minutes until slightly softened and lightly coloured. Add the prepared garlic, coriander and fennel seeds and stir briefly until the mixture is deliciously aromatic. Add the roughly chopped tomatoes and their juices and bring to a simmering point, stirring.

Season the mixture with a generous squeeze of lemon, a good pinch of sugar, a little basil, salt and pepper. Then let it bubble over medium-low heat for 15 minutes or more, just stirring occasionally, until flavours are well blended and most of the liquid has evaporated leaving a rich shiny sauce. The larger the surface area of your pan the quicker the sauce will reduce.

Adjust seasoning to taste and gently stir in the monkfish. Cover the dish, cool it quickly then refrigerate.

Weigh out the olives. If they were packed in brine, rinse them thoroughly and pat dry. (I store *olives* in a jar of olive oil—within a few weeks they become mellow and sweet.) Mix the olives with red peppers, cover and set aside in a cool place.

Finally, prepare the garnish ingredients and mix them together in a small bowl or cup. Cover to prevent drying out and set aside in a cool place.

In the evening, bring the casserole back to simmering point, stirring occasionally. Add the peppers and olives, pushing them gently down into the sauce. Cover and heat through gently but thoroughly, on top *of the stove* or in a low oven. Sprinkle on the garnish immediately before serving.

A few weeks ago when welcoming Phillppa Davenport back to the Financial Times I asked readers to let us know *whether they would prefer* her to use Imperial or metric measurements. I can't say it has been a subject which has brought in a torrent of mail but those who did write were quite explicit. Whilst most of you would happily tolerate metric as well as Imperial, never, never did you wish to see metric alone. Just one reader—a man, I think—asked for metric alone. He is clearly a great modernist, anxious to get on with the inevitable transition, but I fear that for the moment, in the interests of democracy (and of space) he will have to be disappointed.

L.v.d.P.

11 NxN 0-0 but then Black has threatens to simplify ...

ARTS

Annalena McAfee steps gently round a carpet congress

Endless Turkish delight

The Yildiz Palace, nestling in parklands above the city of Istanbul, was home to several sultans until the end of the Ottoman Empire. The guests, emerging from their limousines for a reception at the palace on October 8 this year, were, for the evening at least, sultans of sorts themselves. Armed soldiers guarded their entrance, a chamber orchestra performed for their delight in the elegant gardens and, lest they should scuff their shoes on the gravel, the winding paths surrounding the house were laid with scores of exquisite Turkish carpets.

That many of the guests chose to skirt carefully round the carpets, preferring instead to muddy their footwear, was explained by the nature of their mission to the Yildiz Palace: they were, all 400 of them, guests of the First International Congress on Turkish Carpets. Many were more used to the contemplation of woven floor-coverings and would no sooner tread unthinkingly on some of these specimens than would most of us on a particularly fine watercolour.

The purpose of the congress was twofold: the exploration of the historical background of Turkey's carpet-making traditions, in a series of exhibitions and in lectures delivered by academics and historians from all over the world, and the reflection of the present start-of-the-art, with an emphasis on commerce, in a trade fair and auctions.

The lectures, with simultaneous translation, were well attended by academics and dealers alike. To the uninitiated, the subject occasionally verged on the trenchantly esoteric. A talk on "The persistence of certain designs in Anatolian nomad storage bags," for instance, did not send the international Press corps scurrying for seats.

But to the cognoscenti it was this very eclecticism which made the congress worthwhile. The carpet experts, representing 25 countries, were clearly grateful for a forum in which to discuss the minutiae of their discipline.

The congress was not, however, merely a discussion of aesthetics or a salute to Turkey's past. Carpets have an important role in the economy of modern Turkey, indicated by the government's willingness to back the congress at a cost of 86 million Turkish lire (£170,000) representing about 80 per cent of the total cost of the venture. During the past decade, the country's export of hand-made carpets and kilims (flat-weave carpets) has increased by more than 24 times from $U.S. 9m annually to more than $217m. This figure is even more significant when it is considered that, since January, the Turkish lire has fallen by more than 43 per cent against the dollar.

The relationship between carpet exporters and the government has not always been cordial. After stories of widespread dumping of inferior products on the European market, the government froze its 26 per cent subsidy to carpet exporters at the beginning of this year. The subsidy has only just been re-introduced, at a far more modest 5 per cent.

Flowers, animals, Arabic writing and ingenious tracery: All find their place in the carpets

Thus the congress was a particularly timely bid to restore the international image of Turkey's carpet industry. One Belgian dealer, more than 30 years in the business, commented towards the end of the week-long congress: "There was a bit of a loss of faith in Turkish carpets with the dumping of low-quality goods. But I've been very impressed with what I've seen here. It will certainly restore Turkey's reputation."

The country has had its share of political and economic upheavals. Allegations of systematic torture in its prisons continue to cause international concern. But with the emphasis placed by the Prime Minister, Turgut Ozal, on the liberalisation of foreign trade and with Turkey's relative stability, compared to its carpet-producing rivals Iran and Afghanistan, the country is primed to launch an export drive. There was a sense that, with machine-made "Turkish-style" carpets emanating from India and elsewhere, "if we don't do it, someone else will." The Minister of State, Mesut Yilmaz, whose department was behind the organisation and financing of the exhibition, declared: "Carpet hand weaving is a purely Turkish art, let no one make any mistake about this."

With the same uncompromising spirit the Turks claim the earliest known hand-knotted carpet, dated fifth century BC, as their own. The Pazyryk Rug (a rug is defined as a carpet smaller than 9ft by 6ft) was unearthed in 1947, frozen in a tomb near the Altay mountains in southern Siberia. Some scholars claim its origin is Persian but to the Turks there is no doubt about its provenance: the rug, incorporating geometric patterns and representational animal figures, was the work of the Huns of Asia, ie the Turks, they insist. National pride aside, their argument is lent weight by the fact that the carpet is woven with the Turkish (full) knot as opposed to the Persian (half) knot.

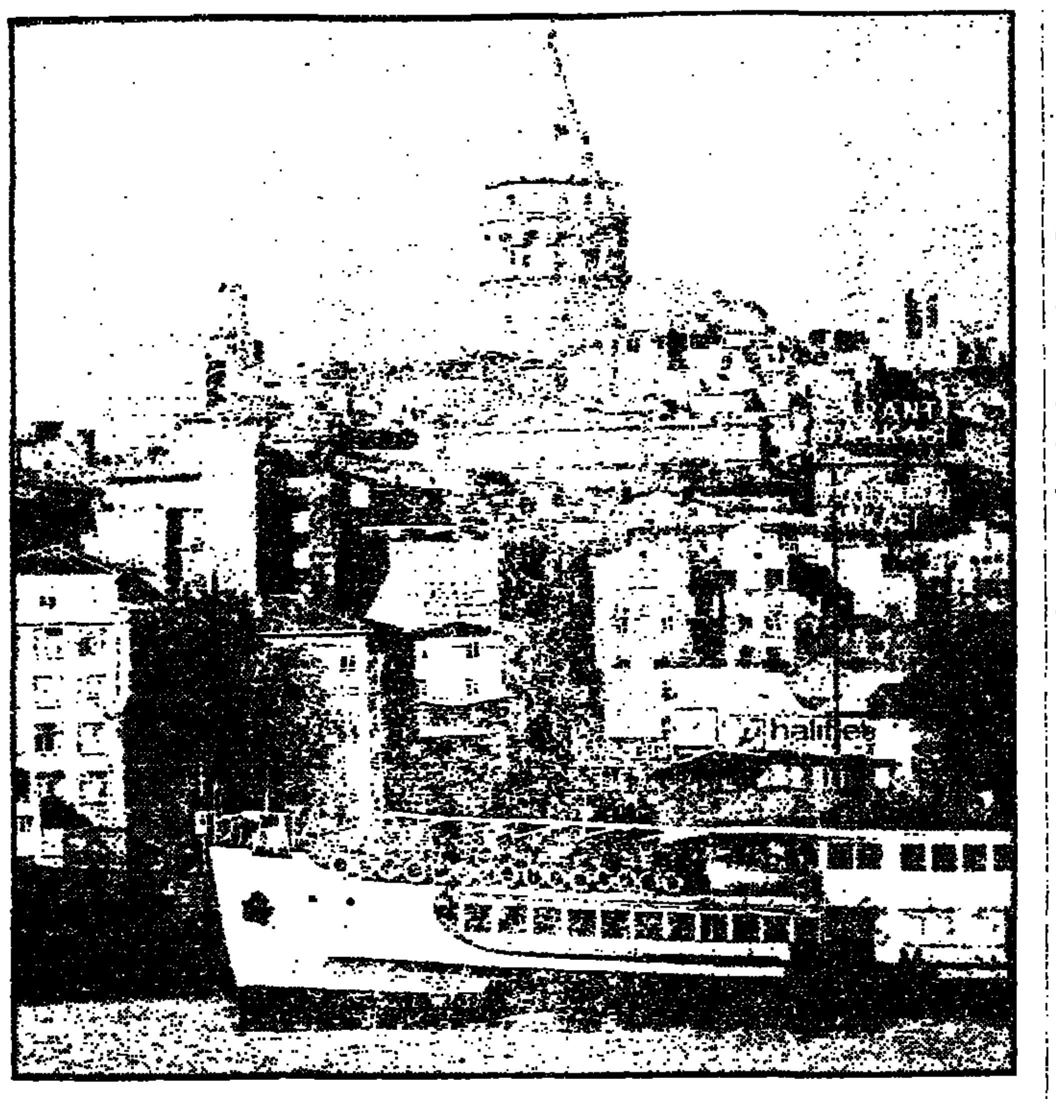
It was undoubtedly the carpets from Turkey which were first popularised in Europe in the sixteenth and seventeenth century, arriving via Venice. Although few examples from this era survive we know something of their design, and the extent of their penetration into Europeean culture, from the work of contemporary artists.

Holbein's "The Ambassadors," painted in 1553, more commonly known for the trompe l'oeil skull at the bottom of the picture, features a minutely observed Turkish rug in crismon and black with borders inspired by Cufic writing.

The carpet historian's debt to artists of this time is acknowledged by the designation of certain styles as "Holbein" or "Lotto" carpets.

The visual history of the craft was charted in the congress's five exhibitions, all characterised by sensitive restoration and clean, uncluttered presentation. In the church of St Irene, one of the first Christian sanctuaries of Byzantium, we saw communal prayer rugs with pointed panels or "mihrabs" designed to face Mecca; Ladik rugs, dating from the seventeenth century, with their stylised tulip arches; Usak carpets with their large medallion designs and later examples with small medallions scattered like stars across a field of vibrant red or Bosphorous blue.

Flowers, animals, Arabic writing and ingenious geometric tracery: all find their place in the carpets of different Turkish regions. What they have in common is an extraordinary richness of colour achieved by the use of natural dyes: red from the bark of the cluster yellow pine, blue from the indigo plant, yellow from saffron and sumac and green from wild mint.



Istanbul: Magical city of mosques and carpets

An exhibition in the magnificent Topkapi Palace concentrated on the rugs of Hereke, famed for its silk work. The Hereke textile factory was established in 1260, during the reign of Sultan Abdulmecid, to make fabrics for the palace. In 1891 the carpet section was established and weavers began to produce high-quality pieces imitating the patterns of the seventeenth century. Some of the colours used were particularly subtle harmonious blends of browns, terracotta, tawny pinks and sage greens. But what sets the Hereke carpet apart is the fineness of its weave, determined by the delicacy of the yarn and the number of knots per square metre. With an average weaver tying 800 to 1,000 knots an hour, it could take 143 days to complete just one square metre of a Hereke silk rug.

Modern mechanical and electronic advances and cheap synthetic dyes could theoretically make such painstaking techniques obsolete. At an average of $250 for a square metre of hand-made rugs, new technology could also cut costs. But according to Erol Aydin, owner and director of San Hali carpet exporters, machine-made carpets can never compete with the hand-made product on practical, as well as aesthetic grounds. Machine-woven carpets are simply not as durable, he says. Dealers unanimously turned up their noses at the mention of the machine-made variety.

If the future of an expanding carpet industry does not lie with mechanisation and modern techniques, what direction can it take to meet the new demand that Turkey hopes the export drive will stimulate? The answer could lie in the Cannakale region, where carpet co-operatives have been set up with guidance form Marmara University. Villagers are encouraged to revive their weaving traditions using almost forgotten recipes for natural dyes and designs based on those in the mosques and older houses of the region. Dealers visit the co-operatives direct, cutting out middle-men and increasing the villagers' profit margins.

The congress came to a close at the Hidiv Kasri, the extravagant Art Nouveau summer place of the last Kedive of Egypt. Considering the gains of the week, Halit Kamasak, chairman of the committee which set up the trade fair, estimated that it had earned $30m. Other rewards, future orders and goodwill, could not yet be evaluated. For some of us, who had learned to cast our eyes downwards and pick our way gingerly round the carpets in the grounds of the summer palace, the reward was the privilege of seeing these beautiful objects in their natural habitat.

God, Coleridge and Christopher Robin

One of the first hurdles I had to leap in this column was Gerald Priestland's series *Priestland's Progress*. Mr Priestland was then the BBC's Religous Affairs Correspondent, and I was interested in the fluctuations of his faith. Starting as a public school Anglican, he became an atheist, then settled down as a Quaker. He is still that, but contributes weekly to a Roman Catholic

RADIO

B. A. YOUNG

paper; and on Sunday Radio 4 launched into his new series, *The Case against God.*

He was, he said, putting the case for the prosecution. The charges were cruelty, incompetence and non-existence. I doubt if he made the charges as seriously as he might. Cruelty? If one worships a God who provoked the Jews to carry out the appalling massacres in the Old Testament, who carried on that nasty gamble over Job's faith, one need have no trouble over cruelty. Incompetence? "Attempts to build some kind of Jerusalem have always failed." Shirley Williams assured us, "Falling foul of a persistent element of original sin." Where did the orgiginal sin come from? and what is it for? "Much of man's suffering is man's work, not God's." Mr Priestland thought. So if you imagined God was omnipotent, you're at the wrong address.

I hope there is some better-class argument to come, to prove that God exists and that he is the loving God we worship, if we do, not the "Authoritarian, vindictive and spiteful Deity" that Dr Jonathan Miller sees, who runs "A gigantic WOSB" — for our benefit? — for His — for whose? Persuade us, Mr Priestland, one way or the other. And then we shall need a whole year's phone-ins.

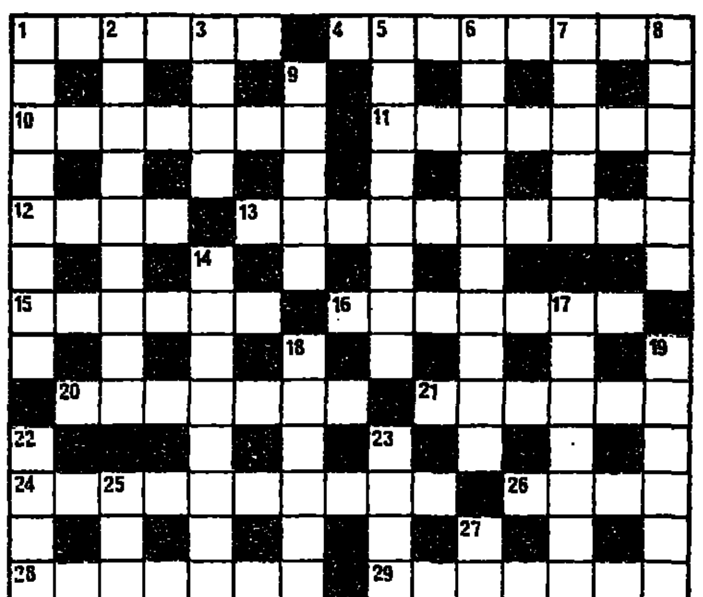
A Byron play on Radio 4 last week, a Coleridge play this week — but a very different affair. No comic extrapolation of the facts in Martyn Wade's *The Young Coleridge*, which was a serious study of the poet as he was at the age of 30. It was a remarkable piece of radio writing that could not have existed in any other medium, a vivid mosaic of what was in Coleridge's mind

His marriage was tainted by his wife Sara's acid personality, and he dreamed of other women who had brushed against his life without breaking into it—Dorothy Wordsworth's sister Sarah, Asra, Mary Evans. He and his neighbour and brother-in-law Southey were concerned with their new political project, pantisocracy, rule by all, to be practised in a settlement of "12 well-educated gentlemen" on the banks of the Susquehanna. He was trying to finish *Christabel* (which he never did). But also he wanted to go to a warm climate for his health; Malta was his choice, where he thought he could find a job. He talked a great deal, but he wrote little. He was already an opium addict.

The factual material comes from Coleridge's notebook and letters, but Martyn Wade's treatment of it, ably directed by Cherry Cookson, has made it into a work of art. Tom Wilkinson gave a fine performance as Coleridge, and there was sturdy work from Gary Bond as the businesslike Southey, Christopher Douglas as Hazlitt and Jennie Stoller as the henpecking Sara.

Radio 4 celebrated a different kind of poet on Tuesday in *Now We Are Sixty*. Christopher Robin Milne is an intensely private person, any possible wish for fame having been vicariously celebrated for him by his father by the time he was six. His father, A. A. Milne, was my first literary idol; when I was 10 I got a collection of his Punch pieces and spent a lot of the next 30 years trying to write to them. Christopher Robin (as I will go on calling him in contrast to Mr C. R. Milne, the retired bookseller) spoke interestingly about his father, who, it seems, was never really fond of children, and about his mother, Daphne, who (another member of the family told us) was really fond of money. How the Milnes kept four servants, a chauffeured car and a country cottage on the salary of an Assistant Editor of Punch is a problem that bites deep into my soul. (I started that job in 1949 at £12 a week.) Milne was angry after he left the Army in 1918 that he was not offered the editorship and left the staff, becoming a busy and pretty successful playwright. Christopher Robin could not make his father sound lovable; but he had clearly been happy with his immortal toys, now exhibited behind glass in New York.

F.T. CROSSWORD PUZZLE No. 5560



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

When the puzzle is completed, we appear diagonally from the second letter in 1 down; and we also appear anagrammatically, as a reproduction in another shade, diagonally from the second letter of 1 across.

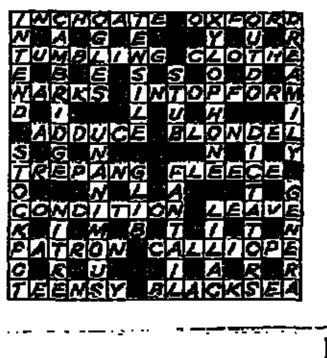
ACROSS

1 Hound of the Khyber? (6)
4 Lawyers change cabin in the city (8)
10 Study in conflagration produced by tree (7)
11 Coal pit for illusion? (7)
12 Familiarity conceals flanks (4)
13 Impiety puts corrupt girlie in the club (10)
15 In the confusion, a hundred of a race (6)
16 I shall, for example, other things being wrong (7)
20 Extras, moving and dead (7)
21 Priest turned farceur by alchemist's potion (6)
24 Untidy chap, with children left in the open? (6, 4)
26 Home for layers? (4)
28 Instrument with ring in it for peer (7)
29 Palaeozoic hair-do for Scotsman (7)
30 She quietly, takes her degree to be a pastor (8)
31 Essentially, as philosophers say, finesse needs topping (2, 4)

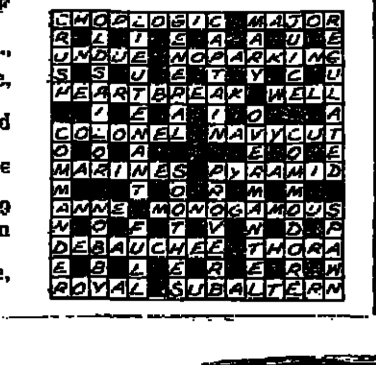
DOWN

1 Intrigues with diplomat in charge? (8)
2 Decorated with parsley from his garden? (9)
3 A most incomplete book (4)
5 Most importantly on top (5, 3)
6 Painter of 10 BC, little exhibited (10)
7 They are prickly about the first act (5)
8 Stockings only used among Poles (6)
9 Bring up a Frenchman to defend himself? (5)
14 Extra hole last century (10)
17 An eleven-point draw's causing worries (9)
18 I'm performing presently as a pagan (8)
19 Material for island with non-varied interior (8)
22 Clothing that doesn't work (6)
23 Put up with a bit of Yorkshire, but gravy shouldn't be (5)
25 Short of water sent unwanted? (5)
27 I fled the country (4)

Solution to Puzzle No. 5,559



SOLUTION AND WINNERS OF PUZZLE NO. 5,554



Mr R. Rosekilly, "Gardencote," Bere Court Road, Pangbourne, Berks.
Ms M. Nicholls, 171 Lichfield Court, Richmond, Surrey.
Miss J. Little, 121A Cheyne Walk, London SW10.
Mr Timothy S. Moore, 9 Dartmouth Park Road, London NW5.
Mr D. Himdson, Poplar Cottage, Bradfield Combust, Suffolk.

† Indicates programme in black and white

BBC 1

8.30 am The Perishers. **8.35** The Littlest Hobo. **9.00** Saturday Superstore.
12.15 Grandstand, including 12.50 News Summary; 12.20 Football Focus; Bowls (12.55, 1.25, 1.55, 3.55); Racing from Chepstow (1.10, 1.40, 2.10); Rugby Union: England v Australia, from Twickenham (2.25); Motor Racing: The BBC Grandstand Formula Ford 2000 Series, from Brands Hatch (3.55); Tennis: GB v U.S.A. for the Nabisco Wightman Cup, from the Royal Albert Hall, London (3.55); Final Score (4.40).
5.05 News.
5.15 Regional Variations.
5.20 The Tripods.
5.45 The Noel Edmonds Late Late Breakfast Show.
6.40 Bob's Full House.
7.10 Juliet Bravo.
8.00 Hi-De-Hi!
8.30 Dynasty.
9.20 Wogan.
10.10 News and Sport.
10.40 Hunters are for Killing Film (1970) starring Burt Reynolds, Martin Balsam, Melvyn Douglas, Suzanne Pleshette.
12.15 am International Tennis. Highlights of the three days of GB v U.S.A. for the Nabisco Wightman Cup.

REGIONAL VARIATIONS:

Wales—5.15-5.20 pm Sports News Wales.
Scotland—5.15-5.20 pm Scoreboard. **10.25-10.55** Sportscene **10.55-12.55 am** Saturday Late Film: "Hunters are for Killing."
Northern Ireland—4.55-5.05 pm Northern Ireland Results. **5.15-5.20** Northern Ireland News.
England—5.15-5.20 pm London—Sport: South-West (Plymouth)—Spotlight Sport and News: all other English regions—Sport/Regional News.

BBC 2

10.30 am Funeral of Indira Gandhi.
11.25-1.05 pm Open University.
1.15 Saturday Cinema: "Welcome Home, Johnny Bristol" starring Martin Landau, Jane Alexander.
†2.45 The Italian Film: "Persons Unknown" starring Vittorio Gassman, Marcello Mastroianni, Claudia Cardinale.
4.30 International Tennis. The Nabisco Wightman Cup — GB v U.S.A. from the Royal Albert Hall, London.
5.30 Transatlantic Beat. The story of the 1984 Observer/Europe 1 Single-handed Transatlantic Race.
6.00 Championship Bowling.
6.50 A Vous la France.
7.15 News and Sport.
7.30 Sounds Magnificent. Andre Previn and the Royal Philharmonic Orchestra continue tracing "The Story of the Symphony" with music by Brahms.
8.35 Rugby Special. England v Australia.
9.45 The Italian Film. "Blow to the Heart" starring Jean-Louis Trintignant, Laura Morante.
11.35 News On Two.
11.40-12.40 am Championship Bowling.

LONDON

9.25 am Funeral of Indira Gandhi from New Delhi. **10.00** The Saturday Starship. **11.00** Funeral of Indira Gandhi. **11.30** Mister T. **12.00** Catweazle.
12.25 pm World of Sport, 12.30 Athletics — the New York marathon. 12.45 News from ITN; 12.55 On The Ball, 1.25 The ITV Six from Newmarket and Sandown; 3.30 Gymnastics; 3.35 Larry Holmes—The Greatest? 3.45 Half-time Soccer Round-up, 4.00 Wrestling; 4.45 Results.
5.00 News from ITN.
5.05 Candid Camera.
5.35 Blockbusters.
6.05 The A-Team.
7.00 Cannon and Ball.
7.45 Punchlines.
8.15 3-2-1 Country and Western.
9.15 The Gentle Touch.
10.15 News.
10.30 Saturday Nightmare. The Legacy starring Katharine Ross, Sam Elliott and Roger Daltrey.
12.20 am London News Headlines followed by Bellamy.
1.10 Night Thoughts.

CHANNEL 4

1.05 pm Making the Most Of.
1.30 Chip's Comic.
†2.00 Svengali (1931).
†3.30 Daniel and the Devil (1941).
5.05 Brookside.
6.00 Danger Man.
6.30 Seven Days.
7.00 Union World.
7.30 Streets Ahead.
8.30 Callan.
9.30 Pushing Up Daisies featuring Chris Barrie, Gareth Hale, Carla Mendonca and Norman Pace.
10.00 Hill Street Blues.
11.00 The Bullshitters.
†11.50 Moss Rose (1947) starring Peggy Cummins.

S4C WALES

1.45 pm A Week in Politics. **2.25** Rygbi. **4.00** The Blood of the British. **4.25** The British at War. **6.20** The Mississippi. **7.20** Superted. **7.30** Newyddion. **7.45** Cistiau Cudd. **8.15** Gwobr Goffa Rowland Jones. **9.15** Y Maes Chwarae. **10.05** Callan. **11.05** Feature Film: "Dead Reckoning."

REGIONS

IBA regions as London except at the following times:

ANGLIA
11.45 am The Smurfs. **12.20 am** At The End of the Day. **3.30** Vintage Quiz. **3.30** Gladiator. **5.15**

BORDER
9.35 am Mister T. **11.20** Battlestar Galactica. **10.30 pm** The Saturday Nightmare, "The Gorgon." **12.00** *Curling*

CENTRAL
9.35 am Mister T. **11.20** Galactica '80.

CHANNEL
9.35 am Mister T. **11.20** Puffin's Space. **11.25** Space 1999. **5.05** Puffin's Plaiice. **5.10** The Smurfs. **5.35** Candid Camera.

GRAMPIAN
9.35 am Mister T. **11.20** QED. **12.20 am** Reflections.

GRANADA
9.35 am Mister T. **11.20** Chips. **12.20 am** Hawaii Five-O. **1.10** Rock of the Seventies.

HTV
9.25 am The Wonderful Stories of Professor Kitzel. **9.35** Mister T. **11.20** Galactica '80. **12.13** HTV News.

SCOTTISH
9.25 am Wattoo Wattoo. **11.45** Happy Days. **10.30 pm** The Saturday Nightmare Movie "The Gorgon." **12.00** Curling. **12.30 am** Late Call.

TSW
9.35 am Mister T. **9.57** Gus Honeybun's Magic Birthdays. **11.20** Freeze Frame. **12.12 pm** TSW Regional News. **5.10** The Smurfs. **5.35** Candid Camera. **12.20 am** Postscript.

TVS
11.55 am Jabberjaws.
12.20 am Company.

TYNE TEES
11.50 am Batman. **12.13** North East News. **5.05** North East News. **5.10** Candid Camera. **12.20 pm** Harvest Jazz. **12.50** Poet's Corner.

ULSTER
12.00 pm Wild, Wild World of Animals. **5.03 pm** Ulster News. **10.27** Ulster News. **12.15 am** News at Bedtime.

YORKSHIRE
11.30 am Battlestar Galactica.

BBC RADIO 1

(S) Stereo Broadcast

6.00 am Peter Powell. **10.00** Dave Lee Travis. **1.00 pm** My Top Ten Siouxsie Sioux (S). **2.00** Paul Gambaccini (S). **4.00** Saturday Live (S). **6.30** In Concert (S). **7.30** Ian Brass. **9.30-12.00** Dixie Peach.

BBC RADIO 2

8.05 am David Jacobs (S). **10.00** Sounds of the '60s (S). **11.00** Album Time (S). **1.00 pm** The News Huddlines. **1.30** Sport on 2: Football Preview, Racing from Newmarket, Cricket, Tennis, Rugby. Sports Report: 5.30 Tennis and rugby round-up, 5.40 Cricket, 5.45 Racing results, 5.50 Pools news and football results. **6.00** Folk on 2. **7.00** Jazz Score. **7.30** The Golden Age of Vienna. **9.30** Big Band Special (S). **10.05** Ken Bruce (S). **12.05 am** Night Owls (S). **1.00** Hilary Osborn (S). **3.00-4.00** Wally Whyton (S).

BBC RADIO 3

7.00 am News. **7.05** Aubade (S). **9.00** News. **9.05** Record Review (S) Mozart's Serenade for wind instruments K 375. **10.15** Stereo Release (S) Vaughan Williams, Knussen. **11.00** Robert Mayer Concert (S) Bach, Purcell, Vivaldi, Handel. **12.15 pm** Enesco and Bartok (S). **1.00** News. **1.05** Ingrid Haebler (S) Piano recital, J. C. Bach, Schubert. **2.00** Verdi's Operas (S) 'Macbeth.' Acts 1 and 2. **3.20*** Julian Budden considers the opera. **3.25*** Acts 3 and 4. **4.30** Recorder and Guitar (S). **5.00** Jazz Record Requests (S). **5.45** Critics' Forum. **6.35** Franz Schmidt (S). **7.20** An Umbrella from Piccadilly. **7.45** BBC Symphony Orchestra (S) Part 1: Britten. **8.00*** Scottish Season. **8.10*** BBC SO (S) Part 2: Mahler. **9.45** Computers That Waltz (S). **10.20** Leo Brouwer (S). **11.00** Mozart (S) String quartets. **11.57** News. **12.00-12.05 am** Scottish Season (S).

BBC RADIO 4

7.00 am News. **7.10** Today's Papers. **7.15** On Your Farm. **7.45** In Perspective. **7.50** Down to Earth. **8.00** News. **8.10** Today's Papers. **8.15** Sport on 4. **8.48** Breakaway. **9.50** News Stand. **10.05** Talking Politics. **10.30** Pick of the Week (s). **11.30** From Our Own Correspondent. **12.00** News; Money Box. **12.27 pm** The News Quiz (s). **1.00** News. **1.10** Any Questions? **2.00** SAT. NOV 3 News: The Afternoon Play (s). **3.00** News, Humour in Music (s). **3.30** A Walk Along an Imaginary Line. **4.15** The Chip Shop (s). **4.45** The Music of Life. **5.00** Sounds Like Autumn. **5.25** Week Ending (s). **6.00** News. **6.25** Desert Island Discs (s). **7.05** Stop The Week, with Robert Robinson (s). **7.45** Baker's Dozen (s). **8.30** Saturday Night Theatre (s). **10.00** News. **10.15** No Complaints. **11.00** Evening Service (s). **11.15** The Faithmakers. **11.30** Son of Cliche (s). **12.00-12.15** News.

BBC RADIO LONDON

7.32 am Good Fishing. **8.04** London Weekend. **8.30** The Magic Carpet Company. **9.03** Inside London. **9.30** Corridors of Power. **10.02** All That Jazz. **11.30** Robbie Vincent's Saturday Show. **2.02 pm** Breakthrough. **3.30** The Great Composers. **6.00** Guideline. **6.30** Big City. **7.30** Hold The Front Page. **8.00** Eastern Ear. **8.30** Good Fishing. **9.00** As Radio 1. **12.00-4.00 am** As Radio 2.

CAPITAL RADIO

7.00 am Dave Cash's Breakfast Show. **10.00** Pick of the Pops Take Two with Alan Freeman. **12.00** The Kenny Everett Show. **2.00 pm** Nicky Horne. **5.00** Greg Edwards—Soul Spectrum. **8.00** David Rodigan's Robot Rockers. **11.00** Mike Allen. **1.00 am** Fusions.

CHESS SOLUTIONS

Solution to Position No. 540

1 NxN, PxN; 2 BxP! QxB; 3 RxP ch! K-R1 (KxR; 4 Q-N5 ch wins); 4 Q-R6, Q-K5; 5 RxP ch, QxR; 6 QxR ch, Q-N1; 7 Q-R6 ch, Q-R2; 8 R-Q8 mate.

Solution to Problem No. 540

1 Q-Q4 (waiting), NxQ; 2 R-QR2, or if RxB: 2 Q-R4, or if R-R4: 2 R-K6, or if K-R4: 2 R-K5.

هكذا صنع الأهل

LEISURE

A new look at all the old mills

I VISITED Wykham Mill near Banbury recently, which is part of the old firm of Lampreys in that town. There was a wind-powered mill at Wykham (Wickham) or nearby already in 1086, mentioned in the Domesday Book, and a water-mill probably working two sets of millstones by 1617.

The enormous waterwheel there today appears to be of the early 19th century. It is not used, but it has been within the last ten years, and still could be.

The old mill has not been left to be demolished or to become a museum of industrial archaeology, though in effect that is partly what it is already; but modern machinery is packed into it for blending animal feedstuffs, with such sophistication that even the old herb of aniseed is sprinkled on the cattle pellets to make them more appetising.

Such technological change and the re-use and re-modelling *in the old fabric* delight the archaeologist, although it is often very difficult to sort out how changes happened and what were different stages.

Walls may be in use for many centuries, while the floors, which hold the main archaeological evidence of what people have been doing, have gone up or down between the walls. The sorting out is a three-dimensional crossword puzzle of walls and floors, which anybody who has tried to restore an old country cottage will have an idea of.

Since it is a crossword in which many of the clues are also missing, through the vicissitudes of time, any written records are invaluable in giving us what archaeology alone will not recover.

Thank goodness at Lampreys there are many old documents and account books preserved. There are also the oral traditions which are equally helpful *and must be recorded before* they die.

Mr Roger Bradshaw, present head of the firm and one of a family that has been milling for over 500 years, told me that the workers used to be given a penny for every rat or mouse tail brought in. This was a valuable supplement to the wages. I do not know how many cats there were at the mill, but there are still 20 now.

It is not just the continuity of place and family and tradition that excites the archaeologist, but also the continuity of milling as an essential process of agriculture.

The discovery of arable farming is the most important technological *invention* there has ever been for men—as I am sure those threshing the CAP in Brussels would agree.

The means of energy have changed, *and men and animals* given way to wind, water, steam, electricity and petroleum, but fundamentally there have been few changes and the rhythm of the seasons still dominates. The harvest still means flat-out work and a reckoning, as it has always done.

The arrival of cereal farming about 10,000 years ago in the Near East and East Mediterranean led to people's settling, to sow and to reap. Khirokitia and Kalavassos-Tenta in Cyprus are fine and easily accessible examples of the first villages. Jericho on the West Bank is another.

There had to be a water supply. At Jericho a tower guarded the spring at the foot of the mound, while the Cypriot sites are above rivers. And there had to be ways of storing some of the corn to be seed next year: famine is the alternative.

Pottery and its pyrotechnology came later, and is prob*ably the next link in a chain* of development (and occasional regress) that quickly ties modern cities to the first farmers.

One may need the eye of youth to see the chain with the cities of the industrial west, but it is easier in regions where industrialisation of farming and fast growth of cities are recent events, and many people are alive who know the traditional ways of doing things.

In Greece it was quite some time after World War II that the methods of centuries changed. The donkey and the mule were replaced by the mechanical cultivator, which could also take the family to the fields and the produce to market. This in turn is giving way now to two vehicles, a pick up and a small tractor.

What has not yet gone is some knowledge of the old ways, or hankering for them. The relations who have left the village to join 3m other people *in greater Athens still* want "country bread," or tins of olive oil from the family trees.

Milling is part of the continuity, and part of the farm*ing revolution* that brought the first villages and led to the first cities. The grains were milled by being ground between stones, as they were at Wykham Mill a hundred years ago and as they still are.

In early times the commonest type of stone is like a hard pillow to be put on the ground so that the person milling could kneel beside it or straddle it and rub the grain with another stone, the rubber. Both stones become smooth with use, and the lower stone or quern *hollowed in the middle,* where most pressure is put.

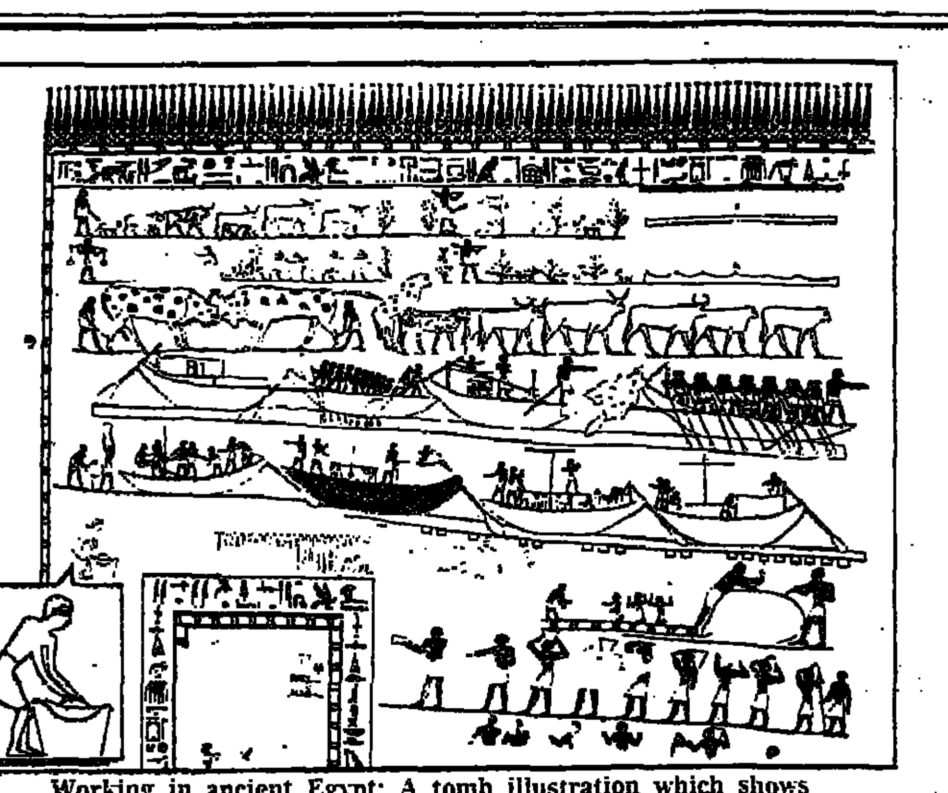
Hence it is often called a saddle quern, a term which has been in use for a little over *100* years.

The appearance of regular farming and the arrival of the first villages are generally held by archaeologists to mark the beginning of the Neolithic period, or New Stone Age, while what went before is called Mesolithic, or Middle Stone Age. In Mesolithic we are beginning to find *the first signs* of the farming revolution and of the change away from a society based on hunting wild animals and collecting wild fruit and vegetables.

At the Franchthi Cave near Porto Cheli in the Aroglid in Greece the Upper (ie, later) Mesolithic level had possible evidence of the cultivation of lentils and what may be the first sickle and the first millstone in Greece, which would be evidence—being before the Neolithic — to show that the great agricultural revolution was not a sudden happening. There was also the first appearance of coriander. In the succeeding Neolithic level came cultivated emmer wheat and sheep and/or goats —the slash mark because their bones are very hard to distinguish in archaeology.

All this is part of the archaeology of human settlement and of agriculture, but that cannot be separated from the archaeology of industry. *We are left then with* "industrial archaeology" as something as a misnomer.

It is used so often to apply to the archaeology of the Indus*trial Revolution,* and places like Wykham Mill. But that is not enough. Industrial revolution has never stopped, even if it has speeded up or slowed down. The changes around the beginning of the New Stone Age show this well.



Working in ancient Egypt: A tomb illustration which shows a woman using a grindstone

ARCHAEOLOGY
GERALD CADOGAN

Along the Beeton track

REWARDING glimpses into the social history come from the study of early wine and cookery books.

For example, the Rev J. Trusler in *The Honours of The Table, or Rules for Behaviour during meals, 1791,* recorded: "Habit having made a pint of wine after dinner almost necessary to a man who eats freely, which is not the case with women. . . ."

Mr Trusler also revealed that the custom of a gentleman and a lady sitting alternately round the table had only been lately introduced: till then women sat together according to rank.

Hannah Glasse's *The Art of Cookery Made Plain and Easy, first issued* in 1747, and reprinted numerous times over the years is one of the early cookbooks most in demand.

Mrs Glasse lived round the corner *from Dr Johnson* in Gough Square, behind Fleet Street; he, boasting of "the niceness of his palate," admitted to have "looked into her book," but nevertheless rather unkindly recorded that "he could write a better book of cookery than has ever yet been written."

In 1965 a 1789 *Art of Cookery* in Lord Westbury's collection sold for £22. While a 1748 third edition sold recently through a dealer at £250, a first edition in the recent Sotheby sale of Marcus and Elizabeth Crahan's magnificent collection of "*Books on Food, Drink and Related Subjects,*" on October 10 in New York, made £5,269.

No serious collector of cookbooks should be without *Petits Propos Culinaires,* an esoteric journal devoted to food history and cookery, £8 for three issues from Alan Davidson, Prospect Books, 45, Lamont Road, London, SW10.

The current issue includes George Orwell on Food ("the palate is a dead organ," he wrote in *The Road to Wigan Pier* in 1937, deploring "the factory made, foil-wrapped cheese and "blended" butter in any grocer"), and a dissertation on charr, the delicacy from the Lake District distantly related to trout and salmon.

1899 leaflet in the Bill of Fare — The Ephemera of Food and Drink exhibition which opens at the Ambulatory, Guildhall on Monday until Friday November 16

COLLECTING
JUNE FIELD

Other necessary adjuncts are the excellent bibliographies on food and wine published by William Leech, The Holland Press, 37 Connaught Street, London, WC2. The latest is a handsomely produced reprint of the 1903 *My Cookery Books* by *Elizabeth Robins Pennell,* limited to 500 copies with hand-marbled covers, £35 plus £1.35 postage.

An American, Mrs Pennel *wrote a weekly column on* cookery for the Pall Mall Gazette. The book is more than a list of titles, reminding "how delightful the old cookery book is as a book to read, not merely to catalogue or to keep handy on the kitchen dresser." An observation reminiscent of Pepys who carried his ladies down the river to the king's pleasure boat "all the way reading in a book of Receipts of making fine meats and sweetmeats."

In Stephanie Hoppen's latest catalogue of gastronomy and wine items (from 17 Walton Street, London, SW1), Elizabeth Hammond's *Modern Domestic Cookery,* 1825, covers everything from how to preserve, pot and pickle, train servants and doctor the frail, £195. The earliest work on the numerous properties of rhubarb is by Prospero Algernon, 1612, and a rare little book of 1805 tells how to brew Treacle Beer.

Stephanie Hoppen also specialises in related items such as *framed* menus, cartoons on entertaining by SEM, pseudonym for French painter George Goursat (1863-1934), £30 to £70, delightful *belle epoque* restaurant posters at £55 by A. Louis Vallet, born 1856, and 17th and 18th century botanical prints by Basil Beseler, De Bry and Weinmann, of such basics as cabbage, onion and beetroot, £120 to £650.

Tom Jackson, former general secretary of the Union of Communication Workers who is in business with his wife Kate selling cookery, wine and children's books by mail order, recommends the modest collector to start by looking for works by Herman Senn, Boulestin, Ambrose Heath and André Simon, all of whom had a prolific output and can ofetn be bought for well under £10.

In the Jackson's latest catalogue, from 22 Parish Ghyll Road, Ilkley, West Yorkshire, there are the inevitable Mrs Beeton's *Household Management's* about £35 for the 1869 and 1893 editions, plus some of the tomes of late Victorian cookery teacher, Mrs A. B. Marshall.

Good quality first editions of the "Moderns" such as Elizabeth David, Jane Grigson and Arabella Boxer are sought by overseas collectors Mr Jackson says. Then there is Marguerite Patten who has just published her 150th cook book, selling a total of 16m copies over the years. Her early publication on survival cooking includes how to prepare whale.

And do not miss the Ephemera Society's intriguing exhibition *Bill of Fare — the Ephemera of Food and Drink* opens on Monday until Friday at London's Guildhall which November 16.

Australia to win, dry or wet . . .

RUGBY
PETER ROBBINS

TODAY ENGLAND play the first of eight international matches between now and June. The game against Australia at Twickenham, is *followed* by Romania in early January, then the home championship succeeded by two Tests during the short tour to New Zealand.

So it is an important season for players and selectors. But then haven't we been saying that for the past four seasons.

We certainly have but it was never more true than this year and the ready availability of tickets for today's match may not be an indication of the disenchantment that some people *feel with England's play* recently. It also underlines the fact that an outing to Twickenham like a visit to the theatre is rather expensive.

The selectors have done their job bravely and imaginatively, with perhaps two exceptions. It is always a wrench to dispense with loyal senior players but this time the stables really have been cleared out.

No Colclough, Wheeler, Scott, Winterbottom, Hare, Dodge or Woodward. The ill-fated tour of South Africa and the various performances against the Presidents' XV demanded radical changes and I hope the selectors will stick to their decisions later on.

A great deal of responsibility lies on Melville, the new scrum half and captain. He is a gifted player but his personal success and that of his talented backs *will depend entirely* on the performance of a pack which unfortunately lacks wide international experience.

What is likely to happen up front? True, the Australians were pushed around by Cardiff until late in the game but they held a burly Swansea pack on Tuesday. Chilcott, the new England loose *head,* is *solid,* and Pearce is dependable, but a lot is being demanded of the young new lock, Redman both in the scrum and the line-out.

The line-out must be an area where Australia will have a decided advantage with Cutler and Williams both towering above the opposition. In the *earlier matches* the tapping back at all jumping positions, was dangerous and often costly. There was a marked difference at Swansea in the line-out where the mopping up of a fair bit of rubbish was greatly improved and there was a much tighter appearance to the Australian scrum. So clearly they have learned some very quick lessons.

Given that England may dominate the scrum and Australia the line-out the third and most vital phase is in the loose. At Swansea both the rucking *and the mauling were more con*trolled and much more productive than at Cardiff. Now that the tour is well under way the Australians are getting much fitter and just as the lights went out at Swansea they were beginning to give the home club the real run round with some magnificent continuous play.

How will England play it? Barnes although a new cap, *has* the temperament and technique to control a game but I would expect the fair amount of kicking both from the wings and *for the forwards to chase.*

Australia's basic game is based on speed of passing, and it is a high risk policy with all the profits and losses that that *implies. Far-Jones* is a very accomplished scrum half and Ella has a whole range of tricks which he is always ready to display.

He plus Gould the full back and the wingers Campese and Moon are the real danger men. Moon has a disarming habit of appearing at any point in the line but then, so have the others. This means severe defensive problem for England.

In their games against Cardiff and Swansea, Australia were never afraid to counter attack quickly from breakdowns or simply to create an overlap from a set piece and they add to the danger by running with such determination and tremendous support, not just the traditional back row stuff, but from the other backs.

Once the pass is given the passer quickly supports the taker and so on. That sort of momentum is difficult to stop, particularly as Australia like to switch the ball inside quickly.

So England's best chances will come from Australia's mistakes and they have the young men behind to take advantage of them. That is unless the occasion is too big for them.

The one tactic Australia will certainly employ is the use of the high ball. Gould especially hoists the ball to enormous heights, and Stringer is in for a very trying afternoon, I fear.

A very relevant factor will be the weather. If it is a dry fine day I expect the Australians' superior fitness and boldness to bring victory. Even if it does rain I would not necessarily change that view but it would lessen their chances considerably.

Melville—can he depend on his pack ?

Those elusive salmon

FISHING
JOHN CHERRINGTON

THIS WAS to be my last excursion after salmon for this year, a test perhaps of the efficacy of my cure for the disease. I determined that I would fish when the opportunity was there, but would not be disappointed if it didn't arise. For perhaps the first time of my life I was truthful when I said that even if I caught no fish, the beauty of the scenery was what really satisfied my senses. Lots of people say this, but they seldom really mean it.

On my way north, I called in on the Tweed, a beat where I had caught fish before. The day was dreadful, about a force eight gale with scuds of quite vicious rain. The river was very low but my host did offer to *ghillie for me, holding the boat* in the current. He said none had been caught that week and obviously was only offering out of politeness. It has always been my *experience that* when the ghillie shows no enthusiasm one might as well pack up.

The following morning was much better. The wind had dropped and the sun was shining. We looked at the river and within a few minutes I had seen at least half a dozen eminently catchable fish showing themselves in ideal lies. I got a little keen. My host reminded me that it was Sunday and in Scotland salmon were not fished on Sunday. We were actually on the English bank and there is none *of that sort of nonsense in Eng*land. This counts as Scotland, he said.

So I pushed on to the Shiel for the next week's fishing, a *river I have fished with declin*ing success for many years, but such are the surroundings and the general ambience that I would return again and again even if there were no fish at all.

In fact three years ago there was a reversal of the general decline which seems to have affected all Scots rivers. Catches suddenly rose, particularly in the summer grilse run. But there is an explanation. Loch Shiel has a large salmon rear*ing establishment and there was* a considerable escape of young fish at the smolting stage one year.

I should explain that a *salmon starts* life as a parr, a small fish marked rather like a trout. But after a year or more in the stream where it was spawned, the parr turns silvery *and is ready to go to sea.* It was obvious that the sudden upsurge in catches was due to this accidental liberation of a great number of smolts ready *to go to sea.*

There have been many attempts to stock rivers by seeding the streams with ova and parr but the losses have *been enormous. A drought* will almost exterminate them as the streams dry up. But reared to the smolt stage in cages and then released to go to sea, a far larger proportion have a chance of getting back.

This, I gather, has been done in Alaska to maintain stocks for canning.

Rearing salmon to the smolt stage costs money, of course, *but set against the earn*ings from the salmon (or the promise of salmon which fishing has become these days), it should be well worth while, if only all these interests could see sense.

There are objectors of course. Some of these deplore any interference with nature. Each river, they claim, has its own special breed of salmon. Put in a host of mongrel smolts artificially reared and the result would probably be a river overrun with small fish, grilse, which lack the character of the noble original inhabitants. These would though be a great deal better than nothing, in my view.

What of my own fishing? We had four inches of rain in the week. The river rose, it was high when we started and now it submerged the stages and made wading dangerous for the elderly. I conscientously kept a fly — and then as the river rose a spinner — in the water as long as I could. To no avail. But I brought fish home. Before we started, our leader said: "We shall share the fish."

"Seconded," said I." It was a wise decision.

Something of a jading experience

HIGH ST WINE
EDMUND PENNING-ROWSELL

I CANNOT pretend to have tasted every one of the 58 wines that Peter Dominic showed at a recent tasting in London, but I did sample about 40, principally leaving out the sweet wines. Even so it was something of a jading experience, for although one spits out, something goes down.

Peter Dominic with *450 shops* is committed like other wine chains and supermarkets, to a broad spread of very cheap wines. At this tasting they had four wines under £2, a litre at the equivalent level of £2.35, and 18 wines under £3. Of the first group, I left out the Liebfraumilch (£1.89)). The only other that appealed to me was the often-very-dull Soave, but this *Soave Villa Belvedere* (£1.89) was at least crisp and with good acidity.

In the highly competitive wine world, price is very much the determining factor with many buyers, particularly those whose enjoyment of wine is more social than gustatory.

As the duty on a case of 75cl—bottled wine is £8.15 (and on a 70cl dozen £7.80), plus a fair 15 to 20 per cent profit margin and 15 per cent VAT, it can be seen that there is not much left to pay for the wine. In other words, the more one pays, within reason, the better value in wine one is likely to secure.

Among the other under £3 white wines, the *Peter Dominic Austrian White* (£2.05) had a real Grüne-Veltliner crispness and freshness and, possibly owing to current over-production *in Austria,* is very good value. So was an excellent Moselle, *Brauneberger Mandelgraben Riesling Kabinett 1983* (£2.49) that had real style and good acidity. *Just under the £3 limit* was the *Peter Dominic White Burgundy* (2.95), a French-bottled wine with a fruity bouquet, fairly full flavour and the authentic white *burgundy* style.

But a good deal better still for the price was the *Bourgogne Aligoté 1983* (£3.35), from the *leading Aligoté* village of Bouzeron and bottled by Bouchard Père, with a full flavour. Another good German white was the *Waldracher Heiligen Hauschen Riesling Kabinett 1983,* (£3.95), a Kesselstadt estate-bottled Ruwer with a flowery aroma and fresh flavour. A little dearer was the excellent Hugel *Alsace Gewurztraminer '82* (£4.09) that had the typical incisive nose, but was not over-sweet as these wines often are.

On the whole I found the range of reds better, including some higher-priced wines. The Greek *Danielis* (£2.35), from the Patras firm of Achaia-Klauss, although a pinky-brown colour had a very encouraging bouquet, and a *soft,* easy to drink taste. Light too, but with an oaky nose, was the *Peter Dominic Rioja* (£2.29) from the firm of Lagunilla, bottled in Spain, and with a good, fairly light flavour and balance.

There are some good Coteaux d'Aix these days and the *Domaine de la Cremade 1982* (£2.49), had excellent colour, soft aroma and a really fruity flavour. I cannot say that I *much cared for the two dull* beaujolais or the undistinguished *Peter Dominic Claret,* while the house red burgundy had not much flavour; but one *cannot expect much now of* burgundy to sell at £2.95. The *Laguna Gran Riserva 1973* (£3.69), though more oaky than the house version Rioja, had *much more style, and, even if* light, it is good for drinking now. That remarkable Lebanese wine, *Chateau Musar,* was showing very well in its 1977 vintage (£4.99) — full-flavoured, oaky and perfumed.

Nevertheless, when one goes up the price scale for château-bottled clarets, one is in a different world, it would be unfair to say that *Ch. Cardonne '81,* a Bas-Médoc estate bought 12 years ago by the Lafite-Rothschilds, is expensive at £4.25 a bottle—not because it is a *Rothschild wine, for Ch. Clarke,* in Listrac, acquired some years ago by Baron Edmond de Rothschild and extensively developed and increased since, seems hardly a bargain at 50 francs a bottle for the '83 (not shown at this tasting). The Cardonne has a good colour, a still-young, tannic nose and flavour, but a wine of some class, and one to buy for keeping.

After that came the always distinguished St Estèphe, *Ch de Pez 1979* £5.95 with a big colour, real claret bouquet more flavour than many '79s — a classy wine.

Finally, may I dare to mention *in these milieus Ch Branaire 1979* (£9.90), the fourth-growth St Julien, a wine with a lovely elegant bouquet, and a rounded, distinguished claret? It is *not exactly cheap,* but then one must expect to pay for the keeping charges, the flavour is delicious and, without doubt, the 1983 already costs more.

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Portents of change

THE dollar's sharp decline and its retreat below the psychologically significant DM 3.00 barrier leaves an unanswered question on many investors' lips: does this portend the end *of the dollar's five-year bull* market or is it yet another short-lived retreat reflecting a temporary easing of U.S. interest rates? In six months, the wisdom of hindsight will doubtless make the answer seem obvious. But in the midst of events, it remains hard to judge whether a true turning point has been reached. Much depends on whether the sharp slow-down of the U.S. economy proves temporary or signals the top of the U.S. economic cycle. On this the experts are divided but the balance of opinion seems to suggest that the U.S. economy still retains plenty of scope for growth.

If the U.S. economy does bounce back again next year, renewed upward pressure on interest rates could underpin a fresh bout of dollar strength. The dollar's future is in any case intimately bound up with next week's U.S. election. It is highly doubtful whether a newly re-appointed President Reagan would act swiftly to raise taxes and close the budget deficit, whatever Mr Walter Mondale is now telling the American electorate. Unlike many of his advisers the President genuinely believes his tax-cutting strategy has revitalised the economy. Faced with the fading away of his "economics *of joy,*" *the last thing President* Reagan might want to do is raise taxes. The triumvirate of big deficits, high interest rates and a strong dollar which has ruled the world economic order for so long may not be easily deposed.

Investors

But there are those who argue that whatever the outlook for U.S. growth, the dollar cannot sustain its present strength for much longer: the external accounts of the U.S. are now so far out of balance that even higher interest rates could not save the dollar from a long overdue decline. Foreign investors, the story goes, will soon collectively begin to believe that the dollar's strength is untenable and demand ever higher interest rates to justify pouring an ever larger fraction of their portfolios into dollar assets. If this proved correct, a second-term President Reagan could experience *the combination, so* familiar elsewhere, of rising interest rates and a collapsing currency, and eventually be forced to make the fiscal adjustment Wall Street has urged for so long.

For the moment, the fall in U.S. interest rates and the dollar's weakness, whether temporary or permanent, has been enough to put new life into the UK equity market this week. It has raised hopes of a cut in bank rates sooner than seemed possible three weeks ago at the time of the Mansion House speech when sterling was dropping like a stone. If the UK money supply statistics prove reasonable on Tuesday, the way might be opened for a nicely-timed cut in base rates ahead of the Chancellor's Autumn Statement. One obstacle to lower UK rates—the fear that a disorderly collapse of oil prices would undermine the pound—has already evaporated with Opec's agreement to cut oil production. Bad, perhaps, for long-term world economic growth prospects but soothing for sentiment in the short term.

If Opec's production cut is a short-term plus for UK financial markets, the same cannot be said for the latest twist in the coal strike, which is probably a more important cause of high UK interest rates than sporadic skittishness over oil prices. The collapse of the latest Acas talks was always on the cards and it is not wholly dispiriting. At least it ensured that a settlement was not struck on the wrong terms. The good news is that the antics of Mr Scargill's minion in Libya have permanently strengthened the Government's hand and that Mr Peter Walker, the Energy Secretary, plans to launch a new campaign on Monday to get across the National Coal Board's case. This just might bring forward the day when the eight-month shadow overhanging the markets is lifted.

The dollar, oil prices, the coal strike and thoughts about the effects of the imminent flotation of British Telecom may be the proximate determinants of market sentiment but overshadowing all of them is Britain's steadily rising un*employment rate. This matters* for the City not because the Square Mile suffers greatly from unemployment but because it feeds worries about what the Government, in spite of the rhetoric, might yet be forced to do in an attempt to eradicate the evil.

Portents of change are often unsettling but markets cannot afford to ignore a changing world. They have to face up to the possibility that the era of the stratospheric dollar, which now seems so familiar, could be drawing to a close. Equally important, the intellectual climate, and not just in Britain, *could be shifting imperceptibly* in favour of some form of mild reflation in spite of the inflationary dangers. This week the European Commission broke ranks by proposing in sotto voce tones that a cautious, concerted move towards faster economic expansion should now be contemplated by European governments especially if the U.S. recovery is flagging. The Chancellor's Autumn Statement will be scrutinised for any signs of covert agreement.

International emergency aid

Famine: why the West wakes up too late

Andrew Gowers looks at the problems of mobilising aid that Ethiopia's crisis highlights

An Oxfam relief centre in Ethiopia

"WHEN DOES disaster become 'Disaster'? How is it that bad news can be long ignored and then suddenly reach such a state of critical mass as to become an international *cause celebre?*"

The superficial answer to these questions, posed by the journalist William Shawcross in his new book on aid to Kampuchea,* will be obvious to anyone who has watched television or read newspapers in the past two weeks. Film of Ethiopians, with bulging, malnourished bellies and hollow faces, dying by the hundreds, has stirred Britain and other Western countries.

But Ethiopia has been on the verge of disaster since its last famine in 1973, and suffering deeply for at least 18 months.

And the sad fact is that while relief agencies believe at least *13 countries—12 in Africa* plus Bangladesh — now face critical food problems, the international community is little more prepared to deal with them than it was a decade ago.

The problem appears to be fourfold. First, and most obviously, once a famine has reached the proportions of a major disaster, it is simply too late to mount a fast and effective rescue operation. As is clear in the case of Ethiapia, even if supplies are rushed to the country's ports, bottlenecks in distribution conspire to choke the relief effort.

Second, those bodies with the resources to deal with large-scale emergencies such as famines tend by definition to be governmental organisations. They are, for a whole host of reasons, not geared to making a quick or flexible response.

Butthe voluntary agencies, which can be faster on their feet and are usually less entwined with international politics, are neither designed nor equipped to cope with supplying starving multitudes.

The difficulties are compounded by the almost universally acknowledged inadequacies of information on food shortages. Insofar as it is a science at all, famine forecasting is still very much in its infancy.

The single most important difficulty facing official or semi-official relief organisations is precisely their status: they are no more immune than any other national or international public body from politics and lethargic bureaucracy.

The big U.S. humanitarian relief organisations, Care and Catholic Relief Services (CRS), with budgets of $242m and $345m a year respectively, function largely as dispensers of U.S. Government food aid under its 30-year-old "Food for Peace" programme. Thus, although they claim to be apolitical, experienced observers believe that they have to be attentive to the vagaries and preferences of American foreign policy.

The other big international food donors—the UN's World Food Programme (WFP) and the European Community — have their own problems. For one thing, they need an official invitation before they can help a stricken country.

This presupposes that the government concerned is aware of or cares about rural famine; that it is capable of putting together the necessary technical case for aid in time; that it wants to broadcast its problems to the wider world; and that it wants primarily Western organisations on its territory in the first place. It also presupposes that Western governments feel disposed to help.

"If the local government information systems are not working, the situation is not known until people are dying," said one British Government official.

Ethiopia's Relief and Rehabilitation Commission is acknowledged to have put together a series of well-substantiated appeals in the past two years, to which many Western governments did respond within their limited aid budgets.

Allegations that the West was trying to "starve the Marxist Ethiopian Government out" do not stand serious examination, *although longer-term aid pro*grames have not been well-funded for political reasons, among others.

But there are plenty of examples where relief was too slow or too small because politics, ignorance or incompetence put a spoke in the wheel.

Kampuchea in the late 1970s is the most obvious one, where the relief effort was seriously hampered by the reluctance of the Vietnamese-installed regime to allow official Western agencies in and by that of the West to recognise the Heng Samrin Government.

However, the main charge laid at the door of the WFP and the EEC is their slowness to respond. The famine in Uganda's Karamoja region in 1980-81 was a case in point, according to a recent report by Dr Frances D'Souza, research director of the London-based International Disaster Institute (IDI).

The signs that mass starvation was on the way—such as a rapid rise in grain prices, and migrations of large numbers of emaciated people to relief points—had been visible throughout the second half of 1979. But it was not until May 1980 that the international relief operation began in earnest.

"In spite of the fact that most of the UN humanitarian agencies had senior representatives in Kampala throughout 1979, there was apparently little sense of urgency in dealing with the emerging famine to the north-east of the capital," Dr D'Souza concludes.

Even when an agency is aware of a disaster as it happens, the organisation is rarely in a position to rush food to the spot, partly because its food *aid—whether for long-term* development projects or for "emergency relief"—is often committed long in advance. More than six months usually elapse between a request for aid to the WFP and the delivery of the food. The EEC sometimes takes a good deal longer.

Privately, officials make no bones about it: although WFP spends about a third of its resources, or about 560,000 tonnes of food, on emergencies, it is not geared to responding to disasters which emerge suddenly.

"The world just does not have the capability to respond quickly," said one. "If countries wait for the international community to respond with food aid, the chances are that people will starve to death."

The only answer is strategic stocks, kept in countries which are likely to suffer food *deficits. Yet many countries in* that category are among the world's poorest and certainly cannot afford to finance a stock from one year to the next, even if the food is available. Neither is there any help available from the WFP for this purpose, although the possibility of providing some has been under discussion for some time.

But stocks need proper storage facilities, organisation and supervision. Many aid workers fear that in famine-prone countries, they would tend to spoil or be stolen.

A possible half-way house is for donor countries to keep stocks for the purposes of emergency aid themselves. At the moment, they have to go through cumbersome tendering procedures for emergency supplies. The WFP is working, *meanwhile, to build up its own* small strategic reserves at ports such as Singapore.

Above all, the crying need is for proper information on the development of a famine. The distinction here is between basic statistics on crop failures or droughts, and the study of more finely-tuned data, such as the movements of local prices or mass migrations of people from their homes.

'Disaster relief must be one of the few multi-million concerns to operate on such an amateur basis'

There is certainly no shortage of the former—from the United Nations' Food and Agriculture Organisation, its Disaster Relief Organisation (which is basically just a clearing-house for information), or U.S. satellite surveys.

The FAO regularly puts out reports warning of catastrophe in more than 20 countries. But independent aid experts, and even some government economists, believe such appeals can be counter-productive in that *they fail to differentiate qualitatively between the urgency of the situation in each country.* They may thus blunt the West's ability to help.

"Some communities have sustained chronic food shortages for five or six years without famine setting in," says the International Disaster Institute's Dr Robin Stephenson. "Famine is different. It's a social collapse rather than a strictly nutritional event. Remote sensing by satellite can tell you when there's been a crop failure, but not how people respond."

Such detailed research is very low on most governments' list of priorities. And it has to be said that there are tremendous political obstacles to carrying it out.

For most of the countries which would be expected to allow monitoring of this kind are hooked on the debilitating drug of food aid. As one official said: "It's cheaper to get food free than to grow it themselves."

The voluntary relief agencies —the Oxfams and Red Crosses of this world—are acutely aware of this deficiency. For it is they who are forced to carry the can when a famine explodes into a media event.

There are five major relief agencies in Britain, grouped under the loose umbrella of the Disaster Emergency Committee: *Oxfam, Save the Children Fund,* Christian Aid, the Catholic Fund for Overseas Development and the British Red Cross. Their budgets are all minuscule by comparison with those of the big official organisations; Oxfam's total income—the largest of the five—last financial year was £24m.

Furthermore, with the exception of the Red Cross, which focuses on disasters, all the agencies see themselves more as providers of long-term and fairly small-scale development assistance such as water projects or nutrition programmes, than as emergency relief outfits.

Yet they are being forced to devote more and more of their money to disasters. A third of Oxfam's overseas aid spending in the most recent financial year was for that purpose, a dramatic proportional increase over 1982-83.

"With the situation as it is, we find we are spending more of our income than we would like on disaster relief," said Christian Aid. "Oxfam is not meant to be a fire brigade," said the charity's disaster co-ordinator, Mr Marcus Thompson.

In one sense, the publicity is a boon to the agencies. In the week after the showing of the BBC's Ethiopia film, Oxfam raised £1m from the public; by yesterday Save the Children had got or been pledged £2m.

But with the publicity, and the money, comes pressure to spend it fast. The charities cannot ignore these calls, even if they believe it would be more cost-effective to deploy funds over a longer period.

"Charities are in a very vulnerable position," says Oxfam's overseas director, Mr Michael Harris, who retired this week after 20 years with the organisation. "If people give out of pity, you've got a duty not to put it in the bank and save it for another day."

The results are plain to see: supplies of food rushed to Ethiopia at a rate which its infrastructure cannot possibly cope with, and possibly large-scale confusion among relief agencies.

On occasion in the past, the public pressure for quick decisions has simply resulted in wrong decisions. During the mass expulsions of Ghanaians from Nigeria last year, public concern aroused by television coverage forced Oxfam to commit food relief for the operation. Four days later field officers were able to make a proper assessment of the situation, and reported — too late —that food aid would not be needed at all.

Co-ordination between the agencies in the field is not smooth at the best of times, but during disasters there is bound to be overlapping and additional friction. Aid officials say they try to divide tasks among themselves, but there is rarely an overall co-ordinator *of a relief effort apart from* the host government.

Dr D'Souza's report draws scathing conclusions about the level of co-operation between agencies, and their lack of attention to systematic information-gathering.

"The business of overseas disaster relief must be one of the few remaining multi-million dollar concerns which operates on such an amateur basis, with little outside control, few standards or sanctions," she writes. "Relief programmes go badly wrong, money is wasted, people die and there is no institutional mechanism for ensuring that such mistakes are not repeated."

Once the dust has settled over the Ethiopian famine, no doubt there will be a similar catalogue of blunders to recount.

Perhaps, too, a deeper message will sink in. Ten years ago at the World Food Conference *in Rome,* Dr Henry Kissinger said: "The profound comment of our era is that for the first time we have the technical capacity to free mankind from the scourge of hunger. Therefore today we must proclaim a bold objective: that within a decade no child will go to bed hungry, that no family will fear for its next day's bread and that no human being's future and capacity will be stunted by malnutrition."

Since then, Africa's food crisis has got dramatically worse and the number of hungry people in the world is estimated to have about doubled. Ethiopia is only a symptom.

**The Quality of Mercy—Cambodia, Holocaust and Modern Conscience, by William Shawcross (Andre Deutsch, £12.95).*

Letters to the Editor

Surcharge on petrol

From Mr R. Leaton

Sir,—I refer to a brief article by John Griffiths (October 24) on the subject of surcharge on petrol to replace road tax.

I found the reference to such a step by Mr Brian Courtenay of the Motor Agents Association to be somewhat excessive and unjust. It is widely known that a large number of vehicles are on the road without having paid the road fund licence.

From time to time the police organise campaigns to catch and fine tax dodgers. This is a very costly exercise and in the present day and age, the police have more important matters to attend to.

The loss of revenue by non-payment of road tax amounts to, I believe, well in excess of £20m per annum. Besides, it is only right and fair that those using the roads should effectively pay for such use accordingly. Hence, Mr Courtenay's concern that a business car user would be excessively penalised is far from correct.

Also, if "8 out of every 10 tonnes of freight is moved by road," then these road users should surely pay accordingly and not be subsidised by, say, a private car owner who may use his or her little car just a few times a week.

I hope that Mrs Chalker was not put off by Mr Courtenay's speech and that the Government will take steps to implement the replacement of a road tax payment by a supplement on the sale of petrol.

R. E. Leaton,
Flat 157,
29, Abercorn Place, NW8.

Bradford needs a road

From Mr A. Watkinson.

Sir,—I was glad to see Mr Henderson's letter (October 29) advocating the early completion of the M40 (Oxford-Birmingham) Motorway and the A1-M1 link. These are just two urgently needed new roads.

In view of the vast tax burden placed on the road users, there is surely ample scope to greatly expand the motorway system.

One part of Britain in great need of new roads is the North-East as the M1 stops at Leeds and all the traffic is forced on to the overcrowded and outdated A1.

In the mid-1960s there were plans for a Pudsey Dishforth link and by 1975 there was a good chance of this being built but the environmental lobby put a stop to it.

This has proved a great mistake and Bradford, which would have benefited so much from this new road, is now one of Britain's worst unemployment black spots.

A. I. Watkinson,
The Cottage,
3, Otley Road,
Harrogate, N. Yorks.

Banks' approach to charges

From Mr B. Baboulène

Sir,—I strongly suspect that the widespread irritation with bank charges shown in a recent survey, along with that of Mr Michaelson (October 27), is due less to the actual amount charged than to the fact that it is simply filched from the account without any explanation or by-your-leave and the account holder presented with a fait accompli.

The irritation is enhanced on finding that a reduction (called a "concession") is nearly always forthcoming if one protests, for it shows that despite the obscure and complicated rules supposed to govern the charges there is still an element of try-on reminiscent of the days when the manager *just glanced over the account* and decided what it would bear. One also naturally fears that if one does not protest a bit, more will be tried on next time. Most of us have better things to do with our time than have a twice-yearly bicker over what we should pay the bank to make money out of our money (or to lend it to Mexico and Argentina).

Many people are now voting with their feet and going into *the interest-bearing* cheque accounts now offered by the building societies and other competition. If the banks wish to slow this trend their best course would be to do their customers the courtesy of enclosing a statement of charges with the account showing exactly how the amount is made up and saying it would be debited a week later if there were no queries, instead of apparently just hoping to pass muster owing to pressure of time and people's natural disinclination to complain.

B. L. Baboulène.
10 Richmond Avenue, SW20.

Traumatic family tracing

From the Chairman,
Association of Genealogists and Record Agents

Sir,—The piece in the Finance and the Family section *of May 12 under the heading* "Traumatic family tracing attempts" has only recently come to my attention. As it refers to this association I feel that a reply from us is required.

We are aware of the circumstances mentioned by your correspondent insofar as they affect this association. It is *not correct to say that the* association took no action to deal with the complaint which was made against our member. We were very concerned about it and it was brought to the attention of the member involved. The member replied to the complaint by saying that it was his company (not a member of the association) and not he personally who had undertaken the research. For this reason he felt that the association could *not consider the* matter. This claim was upheld by the council at the time and it was not until later that a fresh council, which included certain new members unhappy about the situation, approached our solicitor for his advice. He said that as a decision had been taken no attempt should be made to reverse it.

The association is ensuring that no repetition of a situation so harmful both for us and our clients can occur by amending our rules to ensure that henceforth full responsibility is accepted by any individual member for work done by him or her or any company of which *he or she may be a director.*

Brian G. C. Brooks.
37, Pembroke Ave,
Hove, Sussex

Salmon in Scotland

From Mr J. Stansfeld.

Sir,—A lot of people north of the border were very surprised to read John Cherrington's article (October 6) about salmon fishing. It was very out of keeping with the normal high standard of reporting maintained by your journal and I have been asked to point out the error of his ways.

The statistics of the Greenland and Faroese salmon fisheries are published annually and are freely available in many journals and reports for any serious student of the problem to read. The Scottish salmon catches, split down into different methods of capture, are published annually in the Scottish fishery blue books, and last year the Department of Fisheries for Scotland published comprehensive figures for salmon catches since 1952 for *each of 62 statistical districts.*

This means that the Scottish salmon catch statistics are available in greater detail than ever before. Instead of making any serious analysis of the situation as revealed by the figures, John Cherrington chooses to make a number of completely misleading statements.

The truth of the matter is that Scotland's net fishing industry remained at a steady level for more than 100 years prior to the present decline. It thereby proved it was compatible with a stable and continuing fishery which included excellent angling. The present decline began in 1976 and during the last 10 years the net catch has fallen by almost one half and the angling catch has remained stable. This clearly shows that the cause of the present decline must be some new factor.

The total catch in Scotland *by all methods, net and rods, in* 1983 was approximately 1,200 tonnes. This compares with 1,125 tonnes in 1981 in the Faroes and 2,689 tonnes in 1971 in west Greenland. Of course these were the catches in the peak years of each fishery and the level especially in Greenland did not prove sustainable and was followed by a collapse. The decline of these two fisheries has not been emulated by the north-east English drift net salmon fishery which continues to grow from strength to strength. Here 95 per cent of the catch are Scottish salmon intercepted on their homing migration. All promises to end this interception have so far been broken and the gravest damage is being caused to the Scottish east coast fisheries between Tweed and Dee. For John Cherrington to blame the remaining Scottish netting industry for the decline in catches is the height of hypocrisy.

Jonathan Stansfeld.
Joseph Johnston and Sons.
3, America Street,
Montrose.

Super calorific value

From Mr R. Wheeler.

Sir,—A year or so ago some readers accused the FT of being a very poor solid fuel substitute having a low heating value. This is not entirely surprising as the paper is basically cellu*lose which indeed has a very* poor calorific value. I would however, like to vindicate its utility in the fuel economy field.

If the paper is repulped in water with coal dust added, the cellulose fibres will entrap three or four times their own weight of the dust which many people have only too much of in their cellars. Surplus water in the pulp can be squeezed out and the rest removed by air drying. The result is a splendid smokeless fuel I call "cellocoal."

Pulping is quite simple using a medium-speed electric hand drill fitted with a paddle three inches across at one end of a foot long steel shaft of ¼ inch diameter. Three complete issues soaked in two gallons of water in a plastic bucket along with about six pounds of coal dust can be pulped adequately in 30 seconds.

With some provisos drained sump oil can also be used to boost the CV of the cellulose although this will be better left until *we have unleaded petrol* since present drainings are heavily contaminated with lead. That from diesels is of course lead free.

Readers might also like to experiment with the paper pulp in admixture with earth and "growmore" fertilizer as a plant growth medium.

The FT is the best paper I have tried for these uses having superior fibre length and strength.

R. W. Wheeler.
19 Nevill Road,

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U.S. cartoonists

The sting in the pencil

By Reginald Dale, U.S, Editor in Washington

"RONALD REAGAN is easy. What's hard is to pin him down as a hideous monster, a mad bomber. People have tried but it's impossible to make him mean and nasty. He's just a kinda old guy in the White House who says funny things."

So says Mr Jeff MacNelly, successful syndicated cartoonist at the Chicago Tribune, a leading member of the new wave of American political cartoonists. In a break with a 230-year tradition of "rock'em and sock'em" political lampooning, today's more cynical cartoonists believe that their main task is to be funny. "We're here to stick *our tongues out*," says MacNelly.

In this election year, the business of political cartooning in the U.S. is booming as never before. Aided by the demands of an increasingly "visual" society and modern transmission techniques, cartoonists are vying with leader writers and syndicated columnists to deliver the sharpest comments on the nation's politicians.

In the league of political cartoonists, Mr Gary Trudeau, the creator of the satirical Doonesbury strip, which resumes publication after a 21-month absence at the end of September, is probably the top money spinner—even though some believe that he has "lost his edge." Doonesbury is a multi-million dollar business from syndication, books, records and even a Broadway play.

The Association of American Editorial Cartoonists this year boasts a record 250 members, of whom 200 are full-time cartoonists, against 125 or so 15 years ago. Even relatively small local newspapers now have their own editorial cartoonists commenting on national affairs, syndication is a massive industry and some are illustrating the evening television news.

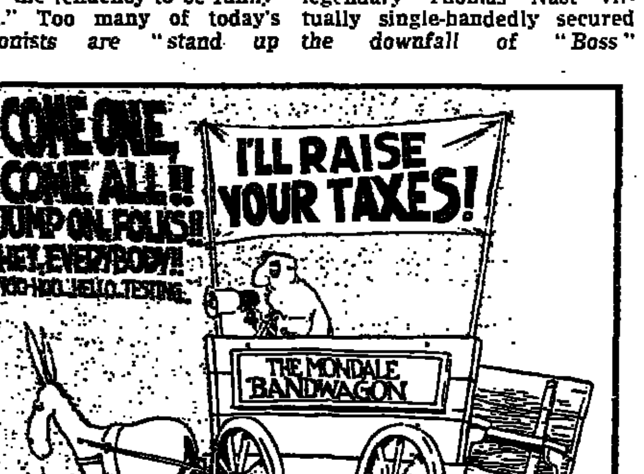
It *is the brash, humorous*, often more intellectual cartoonists like Trudeau, MacNelly and Mike Peters of the Dayton News, who are setting the pace, according to Mr Stephen Hess, a senior fellow at the Brookings Institution, the author of a tive history of American political cartooning.

Some of the older school, who believe that each drawing must express a hard-hitting and deeply felt political message, do not really approve. "My own preference," says Mr Herbert Block ("Herblock") of the Washington Post, the doyen of the fraternity, "is for a cartoon that says something: If it is funny so much the better."

Mr Sam C. Rawl ("Scrawl") of the Atlanta Constitution, the association's president, feels much the same. He dislikes, he says, "the tendency to be funny-ha-ha." Too many of today's *cartoonists are "stand up* comedians who know how to draw."

The Scrawls and Herblocks are the direct descendents of a British-inspired tradition that started with the first American political cartoon, drawn by Benjamin Franklin in 1754. It featured a snake cut into pieces representing the original colonies with the caption "Join or die." The revolutionary hero Paul Revere, who made the famous ride, was an early anti-British practitioner.

The tradition reached was what is widely regarded as its zenith in the 1870s, when the legendary Thomas Nast virtually single-handedly secured *the downfall of "Boss"* William Tweed, the leader of New York's corrupt Tammany Hall political machine after six years of devastating cartoons. He rejected a bribe of $500,000 to desist. "My constituents *can't read*," *fulminated Tweed*, "but dammit, they can see pictures."



Nobody claims such power for today's cartoonist, biting though they may sometimes be. "They're not going to get Mondale elected," says Mr Hess. The majority of them, however, tend to be Mondale sympathisers "Most cartoonists are of a liberal bent," says Mr Rawl.

Few cartoonists are prepared to speculate on how far they actually influence the political process. "It's like shooting arrows in the air," says Herblock. MacNelly says that although everybody talks of the great power of the cartoonist, he is not sure that he personally has much effect.

Both of them agree, however, that one of the most satisfying experiences is to provoke genuine anger—the sort that inspires a really serious letter to the editor—or serves to "kick people in the head, puncture their apathy and make them rethink," says Scrawl.

Sometimes it is positively dangerous. Scrawl has had his life threatened for a hostile drawing of a past president—he can't now remember which one—and Paul Szep of the Boston Globe got into serious *trouble for using some foul lan*guage in Russian that he thought nobody would understand. One of MacNelly's attacks on the IRA, featuring a rat in a leprechaun outfit, caused a week-long picket of the Globe by local sympathisers and some subscribers have refused to print the more irreverent Doonesburys.

MacNelly, who concedes that he is "of a more conservative *philosophy*," *provoked feminist* fury when he drew Mr Walter Mondale standing proudly by a brand new Ferrari labelled "Ferraro." The caption read: "I'm sure going to pick up a lot of chicks with this one."

After Mrs Gandhi's assassination

Sorrow, anger . . . and riots

By John Elliott in New Delhi

HARJIT SINGH is a Sikh who should be back in Leamington Spa, in the west of England, driving a bus, by Monday. But he is afraid to make the short journey to Delhi Airport to fly to Britain.

"It is not safe to leave here" he said standing on New Delhi railway station where several hundred Sikhs have sought refuge as hundreds of Indian troops struggled to control a wave of revenge sweeping India since the assassination of Mrs Indira Gandhi, Prime *Minister* for most of the past 16 years, by Sikh extremists.

Harjit Singh had travelled from Chandigarh, capital of the Punjab, where many of India's Sikhs live. "The train was *stoned*," *he said*. "*The follow*ing train was stopped in the neighbouring state of Haryana. We hear several Sikhs were hauled off and killed. We are scared."

The Sikhs are a proud and *stubborn people, highly con*scious of their distinctive turbanned appearance and their reputation as India's warrior race. They are a prosperous and enterprising minority. In their home state of Punjab they spearheaded India's Green Revolution, boosting agricultural production. They own prestige property in Delhi, big businesses across the country and, until their vehicles were set alight this week, a sizeable part of the capital's taxis.

During British rule they expanded their influence and now make up a sizeable portion of India's army. They have traditionally been regarded as loyal *and reliable Indians. Today all* that has changed. The violence in the Punjab over the past year, the activity of extremists in the Golden Temple in Amritsar which was stormed by Indian troops last June and, finally, the killing of Mrs Gandhi has seriously tarnished their proud image.

It has also opened up an unprecedented rift between India's Hindus, who make up 75 per cent of the population of 730m and the country's 12m Sikhs, a fifth of whom live abroad.

"Before the assassination I would always want my daughter to travel in a Sikh taxi because *of the Sikhs' reliability*. I knew she woul darrive safely. Now that reliability is no longer there and I would prefer her not to be with a Sikh driver," a Calcutta businessman said to be 10 days ago.


Mourners at the lying-in-state of Mrs Gandhi in New Delhi

What may have, until this week, been a subconscious reaction has surfaced into the violent attacks on Sikhs of the *past two days. The worst* violence has happened in New Delhi with scenes of arson and murder unknown in the city for over a century.

Armed Sikhs and Hindu vigilante groups defied curfews in 23 of India's major cties, including New Delhi and Calcutta, to protect their neighbourhoods in a pattern woryingly reminiscent of the blood-letting which followed India's partition in 1947.

In Delhi Sikhs stayed at home, moved in with friends, or look refuge in temple dormitories as Hindu youths rampaged through the capital killing, turning over 2,000 vehicles, burning and looting Sikh temples, shops, homes, and other business premises seeking revenge.

Yesterday morning, in one of the Sikh's holiest temples in old Delhi, I met two old Sikhs in *their 60s and 70s who had been* assaulted and had their hair and beards cut by Hindus. A woman showed me a bruise half the length of her arm. They were all in hiding, scared expected in the Punjab, where Sikh businesses nearby, in the famous tourist spot of Chandani Chowk bazaar, had been looted and burned. Buildings were *still smouldering* and old wooden and brick structures crashed to the ground as fire engines tried to stem the blaze.

But despite all this, there was no sign of the Sikhs wanting to seek immediate revenge on Hindus. *Major violence* is threatened in the Punjab, where Hindus and Sikhs live side by side. But in Delhi and most other parts of India, where the Sikhs are scattered, and do not live in tightly-knit colonies, the community seems to realise it can only lose by retaliating.

"We want to live in peace. Mrs Gandhi should not have been killed," a crowd of Sikhs in the old Delhi temple rest house shouted as they gathered round me. They stressed that they deplored the reaction of Sikh extremists in the UK who have lauded Mrs Gandhi's assassination. "We want peace with the Hindus," they said. *But they realised that rougher* extremist elements might make that difficult.

As world leaders began arriving for today's funeral anger against the Sikhs was accompanied by a growing figure.

Mrs. Gandhi did not appeal personally to all of India's 700m people. *Her greatest following* was among the poorest untouchable and scheduled castes. The richer the people and the higher their caste the less popular she was. Her admirers were in the rural areas, not in cities.

"The scheduled caste people are crying in Teen Murthi gardens (where Mrs Gandhi's body lies in state) because they are personally sad that the person who has done so much for them is dead. She was just like a mother to them. But the rest of the people are more angry than sad," said one young Indian who had just visited Teen Murthi house, former home of Mr Jawaharlal Nehru, India's first Prime Minister and Mrs Gandhi's father.

"My driver cried," said a prominent industrialist. "He said she gave him a job and a home and a bank account. We must remember her following among these people. We may criticise her methods, the corruption of her regime and the poor calibre of many of the people around her. But we are not the majority of the population." He was standing with a wreath, wondering how to make his way through the teeming, struggling throng of emotional people, desperate for a view of the body.

Today, *Mrs Gandhi is being* cremated and the sorrow and anger and grief will come together as tens of thousands people mass through New Delhi to the Raj Ghat, near the Red Fort, in old Delhi.

This is where three other leading Indians have been cremated: Mahatma Gandhi, leader of India's freedom struggle; Mr Jawaharlal Nehru; and Mr Sanjay Gandhi, Mrs *Gandhi's younger son*, who played an important part in her controversial 1975-77 state of emergency and was killed in a plane crash in 1980. Rajiv Gandhi is only Prime Minister today because of Sanjay's death.

Nearly 36 years ago, months of Hindu-Muslim riots were stemmed when Mahatma Gandhi was assassinated in New Delhi. The question Indians have been asking as they watch day-long television broadcasts of Mrs Gandhi's lying in state, and hear the news of rioting, is whether this second assassination will eventually divide or unite the country.

Weekend Brief

Another Proposition

CALIFORNIANS still pay too much property tax, according to Mr Howard Jarvis, co-author of the 1978 tax reform measure Proposition 13 that was credited with sparking off a U.S. nationwide tax revolt. *In next week's* election Mr Jarvis, an irascible 82-year-old tax crusader, aims to force further tax cuts upon the State legislature with another initiative.

"Proposition 36"—also known as "Son of Proposition 13"—has Californians deeply divided. Opinion polls show voters equally for and against the measure as both supporters and opponents blitz the state with *mailings*, television commercials and promotional events. Mr Jarvis claims to have raised over $3m (£2.50m) in campaign funds to push the measure, while a coalition led by state and local government groups has pledged to match his efforts fighting against the Proposition.

The issue is whether Proposition 13 has been properly implemented. The 1978 tax reform reduced the rate of annual tax to 1 per cent of property value in California, slashing state property taxes in half. Voters for Proposition 13 thought that they were assured of the right to vote on any tax increases.

Since then, however, local authorities have found several means of replacing lost revenues with "fees" and special "assessments" and have won California Supreme Court rulings that allow tax increases without a ballot in certain cases.

Mr Jarvis calls his campaign an effort to "save Proposition 13." The courts have already subverted the intent of Proposition 13, he claims.

Proposition 36 would close the loopholes in its predecessor, he claims. The new initiative would prevent all tax increases without a local vote and roll back tax and fee increases to their pre-Proposition 13 levels.

Organisations that oppose Proposition 36 include fire, police, water, school and hospital groups. They warn that their ability to serve the people of California would be severely curtailed by Proposition 36. But voters heard the same arguments before they passed Proposition 13 and most of the state and local services survived that tax cut. Many believe they could do so again.

An exception, recognised only by those immediately in*volved, is the California public* school system. Prior to Proposition 13 schools were primarily funded by local authorities. Since the tax reform they have received most of their money from Sacramento, and state funding has not been generous. Teachers, school boards and the state parent teacher association are strongly opposed to Proposition 36 which they say would cut half a billion dollars from school funding. Already, California, one of the richest states in the union, ranks next to last in the percentage of per capita income devoted to education.

Largely ignored in the campaign rhetoric are the significant economic changes that have occured in California since Proposition 13 passed in 1978. At that time, Californians faced huge annual property tax increases tied to the cost of housing, which was rising at around 20 per cent per year. The state and local authorities built up multi-billion dollar revenues surpluses as housing prices—and property taxes—spiralled. Although Proposition 13 dramatically cut California's property tax revenues, bailout funds from the state surplus cushioned the effects of the cuts *for several years*.

Today, the housing market is just beginning to emerge from a period of stagnation. While prices are still among the highest in the country, California housing prices have remained relatively steady over the past three years. Even without Proposition 13, property taxes would not have increased significantly. This year the state has a surplus of about $600m, due primarily to the boom in the electronics and computer industries which have been paying record income taxes. This surplus is not, however, enough to make up for the revenue losses that Proposition 36 would impose.

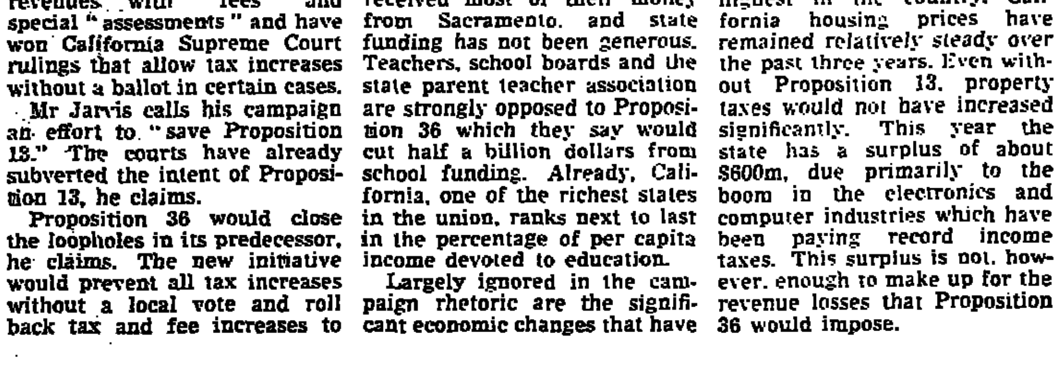
Cruise with a view

IT WAS A cold, foggy afternoon in the Baltic this week when the first passengers (non-paying as yet) left the Finnish-built Royal Princess, the gleaming white new cruise ship for which P & O Cruises of the UK has just paid $150m.

It is unlikely that she will ever pass that way again. Her destination is the U.S. west coast, where P & O hope to tempt on board more of the rich, mostly middle-aged and self-employed Americans who have taken increasingly to cruising as a short relief from their hectic business life. She will take on her first paying passengers later this month after the Princess of Wales has formally named her in Southampton on November 15.

The price for a cruise on the most expensive and advanced luxury passenger vessel in the world will be an average $330 (£250) a day. The top suites will cost $800. At these levels, the new 1,200-passenger ship is priced some 20 per cent above the other P & O ships on the west coast—the Sun Princess, Pacific Princess, and Island Princess.

On a typical 16-day cruise between Los Angeles, the Panama Canal and the Caribbean, the price for any British travellers able to afford the room with a partially-obscured view to over £4,000 for a luxury suite *with verandah*, sitting room and huge windows.


Royal Princess: Californian ambience and a champagne lifestyle

So what will well-heeled holidaymakers get for their money? And who will they be? With its delicate blends of *pastel shades, elegant furniture* and extensive use of teak and brass, the 95,000 ton ship will have an atmosphere of unassertive luxury rather than gaudiness. The whole effect will be that of a top luxury hotel at sea. Uniquely, all the cabins are on the outside. And all have TVs with teletext and remote control.

Intimacy, at least outside the main public areas has also been strived for, says Dr Rodney Leach, chairman of P&O Cruises. "We have tried to create the ambience of a fairly well-to-do Californian home." As for the customres, "our with a wife who works with him or has some business life of *her own*."

Technically, the ship—built by Wartrila of Helsinka, is extremely advanced. Her engines can burn thick, cheap fuel to save costs, she has the latest satelite communication devices, and her stabilisers kept her smooth and silent this week even in the rough Finnish waters.

With an entertainment staff of 40, including singers, dancers, and organisers, the shows and music will be varied enough, though presumably not too different from the lavish Hollywood-style shows common in cruising.

The Royal Princess has eight passenger and two crew bars, expected to dispense around 1,400 bottles of wine, 200 bottles of champagne and 500 bottles of spirits a day. She also has are aimed at eliminating cash on the ship until final payment.

The food, Italian in style and served by Italian waiters, is what passengers on such an up-market ship would expect. Lunch this week included smoked sturgeon as a starter *and* pasta, steak, turkey and broiled grouper fish among the main courses.

Last year, P & O, which also has cruise ships in Europe and Australia made a £4m pre-tax profit on cruising. But while the U.S. market—the biggest for cruises in the world—has grown steadily apart from a hiccup in 1982, other operators also have ships on order.

Around 2m Americans go cruising every year and the market has grown at 10 per cent a year. P & O is spending over $10m to smarten up its other west coast ships. It has options for two more ships from Wart...

Chinese check-out

FOR Denise Williams, it was without question an answer to a prayer, as she pushed 10-*month-old Christopher along* the full supermarket sheives, mentally feasting on fresh milk, yoghurts and "decent bread."

Her reaction would have been absurd in Sheffield, or Sydney, or even Singapore—but she was in Shekou, China's new base for oil exploration in the South China Sea, where supermarkets are part of a space age that is only now about to arrive.

Outside the Park'n Shop supermarket entrance, a crowd of local Chinese stared timidly from under wide-brimmed straw hats. It was not clear whether they were more fascinated by the wonderland of packaged footstuffs beyond the turnstiles, or by the escalator climbing noiselessly to the second floor.

It was a long time before any of them worked up the courage to move towards either. The supermarket opened in Shekou *last month* is the first in China, and the fanfares surrounding its official opening included a cavalcade of expatriate business executives, blue-suited and wearing monogrammed shirts, ferried in from Hong Kong 45 minutes away, lots of flags, and an orgy of firecrackers.

Park'n Shop is Hong Kong's biggest supermarket chain, and is owned by the trading group, Hutchison Whampou. The Shekou outlet (Shekou means *snake's mouth in Chinese*), which is to be a joint venture between Hutchison and China Merchant Steam Navigation, is the 87th Park'n Shop to open its doors.

For both companies, the venture is a leap into the unknown. Shoppers in the store will have to pay for produce in Hong Kong dollars or Chinese foreign currency notes rather than normal Chinese currency, mainly *because almost all of the* HK$1.5m of stock has been imported from Hong Kong.

But for expatriate shoppers like Denise Edwards, wife of a Cable and Wireless engineer based in the area installing a new telephone network, or for the growing population of oil industry executives working off-shore, that will be no obstacle.

Many of the goods — milk products, disposable nappies and chocolates — *are simply* not otherwise available in China. Despite initial timidity, it seems the local Chinese may soon be regular shoppers there too.

Contributors

Louise Kehoe
Andrew Fisher

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.75	8.75	9.28	Seven-day account
			9.76	Higher interest acc. 90 days' notice or charge
			6.50-9.05	Cheque-Save
Aid to Thrift	9.60	—	—	Easy withdrawal, no penalty
Alliance	7.75	8.75	9.30	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			9.50	Bank Save. Bal. of £2,500. Current account
Anglia	7.75	8.75	9.80	3-year bond. No notice, 3 months' penalty
			9.80	Capital share. No notice. 1 month's penalty
			9.30	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years, 9.65 monthly income
Birmingham and Bridgwater	8.00	9.25	9.38	5 days' not. or 20 days' int. pen. for imm. wdl.
			9.86	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	7.75	8.75	9.50	Premium Access. On demand, no penalty
			9.75	Extra Interest—1 mth.'s notice or 28-day pen.
			9.55	Extra Income—1 mth.'s notice or 28-day pen.
			9.80	High Income—3 mths.' notice or 90-day penalty
Britannia	7.75	8.75	9.30	7 days' notice. 9.55 28 days' notice
Cardiff	9.30	9.40	9.80	90 days' notice penalty if balance under £10,000
Catholic	8.00	9.00	10.00	Jubilee bond. Min. £1,000. Monthly income
Century (Edinburgh)	8.85	—	9.30	permanent 2/3 years or variable
Chelsea	7.75	8.75	10.25	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	—	8.75	—	Gold. No Notice. No Pen. Under £1,000, 7.75; Over, 9.57; £5,000+, 10.00 mthly. interest added
Citizens Regency	8.00	—	9.20	7 days. 9.00 monthly income
City of London (The)	8.00	8.75	9.85	3 months' notice—no penalty—monthly income
			9.55	21 days' not. im. access for amnts. over £10,000
Coventry	7.75	9.00	9.60	Money Maker £20,000+. 9.35 £5,000+, 8.75 £1,000+. Instant acc., no pen. Mnthly. inc. opt. 10.00 2-yr. bond £1,000+, close 90 days' notice pen., monthly inc. option, Guaranteed 2.25 diff.
Derbyshire	7.75	9.00	9.80	90 ds. not. Triple Gold 9.00, 9.50, 9.60 28 ds. not.
Gateway	7.75	8.75	9.40	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 9.82 if added to account
Greenwich	7.75	—	10.00	90-day a/c (7-day a/c 9.25-9.75 subject to bal.)
Guardian	8.00	—	10.25	6 months. 10.00 3 months, £1,000 minimum
Halifax	7.75	8.75	9.30	7-day Xtra, 7 days' notice, no penalty
			9.55	28-day Xtra, 28 days' notice, no penalty
			9.80	90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.85	90-day notice. 9.30 5-day notice
Hemel Hempstead	7.75	9.25	10.00	2 years. 9.65 28 days, 9.85 3 years
Hendon	8.90	—	9.50	7-d. a/c min. £500. 10.00 3 mths. a/c min. £1,000
Lambeth	7.90	9.00	9.60	7-d. a/c, 10.25 Magnum a/c 6 wks. & loss of int.
Leamington Spa	7.85	—	9.60	Spa mthly. Income; no not.; no pen. £5,000 min.
			9.50	Lion sh.: 1 m. not. or 28 days' pen. £1,000 min.
			10.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	7.75	9.50	9.55	Monthly interest. 9.80 28 days' notice or penalty. Neither if £10,000 still in account
Leeds Permanent	7.75	8.75	9.25	Liquid Gold no not. no pen. HRAS 9.8 3m not.
Leicester	7.75	8.75	9.30	£500+ im. ac. no pen. 10.25 comp. 3 y. £2,000+
London Permanent	8.25	—	10.25	3-yr. tm. Im. wdl. 90 dys. pen. £10,000+ no pen.
Midshires	7.75	9.25	10.00	2-year term 2.25 diff. guar. 3 mths.' not. or pen.
Mornington	*9.30	7.80	9.50	£2K+, 9.80 £10K+, 10.00 £20K+. * — £2,000
National Counties	†8.05	9.05	10.15	90 days' notice, no penalty. † £1,000+
National and Provincial	7.75	8.75	9.80	90 days' notice/pen. unless bal. stays £10,000+
			9.55	28 days' not., 9.30 7 days' not./penalty as above
Nationwide	7.75	8.75	9.80	Capital bonds, 3 yrs., 90 days' notice/penalty
			9.80	Bonus-90, 90 days' notice/penalty
			9.55	Super bonus, 28 days' notice/penalty
			9.30	Bonus-7, 7 days' notice/penalty
Newcastle	7.75	9.00	9.25	90 days' notice, 9.00 28 days' notice
			8.75	7 days' notice. On demand with penalty
			10.00	2-year term access with penalty
Northern Rock	7.75	9.00	9.35	Moneyspinner plus £500 or over
			9.60	(£5,000-£19,999): 9.85 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	8.00	9.25	10.25	Capital City—90 days' notice, no penalty
Paddington	8.25	9.75	10.00	*1 mth.'s not. or 1 mth.'s int. loss* on sums wdn.
Peckham	8.50	—	9.75	imm. withdwl. if over £2,000. Monthly income
Peterborough	7.75	9.05	10.05	Flexi-Plus 60 days' notice monthly income
Portman	7.75	9.25	9.50	No notice, 9.75 2 months' notice
Portsmouth	8.05	9.55	10.20	3 years, 10.00 6 months, 9.75 1 month
Property Owners	8.25	9.50	9.50	7 dys., 9.65 28 dys., 9.85 6 mths. Effective Oct. 1
Scarborough	7.75	9.00	9.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	7.75	*9.00*	9.85	Sovereign £10,000+. 9.60 £500 £9,999. Monthly inc. 9.60 min. inv. £2,500. Inst. access no pen.
Stroud	7.75	9.00	9.35	3 months, 9.10 £10,000+, no penalty, no notice
Sussex County	7.75	9.25	7.75	up to £2,499, 8.00 £2,500+. 1 mth.'s notice 9.00
Sussex Mutual	8.25	9.80	9.50	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	8.40	—	9.40	3-year term. Other accounts available
Town and Country	7.75	8.75	10.00	90 d. not. or pen. No not./pen. if bal. £10,000+
			9.50	7 d. not. or pen. No not/pen. if bal. £10,000+
Wessex	9.60	—	—	
Woolwich	7.75	—	9.30	7-day account, 7 days' notice
			9.55	Monthly Income Account, 28 days' notice
			9.80	90-day account, 90 days' notice/penalty
Yorkshire	7.75	8.75	9.80	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Flight Refuelling approaches £10m

PROFITS OF *at least £9.65m for* this year are being forecast by the directors of Flight Refuelling (Holdings). This compares with £7.56m in 1983 including a full 12 months contribution from Huntleigh Group although it was *not acquired until August of that* year.

All operating companies are showing improved performance, the outlook remains favourable, and the directors expect to see continuing growth in the level of activities within *the group in* 1985.

Principal business of the group is the design and manufacture of defence equipment and *specialised systems* and components for the aircraft, energy, and electronic industries. In the first half of 1984 the group has produced a turnover of *£29.22m and a profit before tax of £4.83m.* This reflects better contribution from all the operating companies, and the directors are of the opinion that for the second half *the results should be at least as* satisfactory.

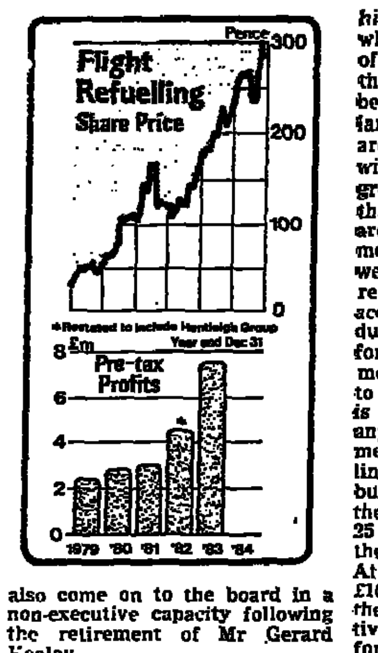
They are stepping up the interim dividend from 0.9p to 1.1p net per share; the final in 1983 was 1.6p.

In the first half of 1983 turnover was *£14.6m and profit before* tax £2.52m, but these figures have *not been adjusted* to include Huntleigh Group. For the whole of 1983 the group turned in £48m and £7.56m respectively, including Huntleigh.

The half-year's profit before tax included associate's £5,000 (£4,000) and interest £287,000 (£229,000), but was after pro*vision for share incentive scheme* £102,000 (£55,000). Tax takes £1.69m (£760,000) to leave the net profit at £3.14m (£1.76m) for earnings of 6.59p (5.3p) per share. There is an extraordinary credit of £896,000 arising on the sale of the business of Hymatic Clamps International

In view of the expansion of business in flight operations and airfield services, these activities *are being concentrated into a* separate operation within the group with effect from January 1 next. Mr Colin Jones will become managing director of the *new company.*

Mr Peter Jackson will be joining Flight Refuelling Ltd as managing director, and he along with Mr Jones will be appointed *to the Holdings board.* Mr Michael Ireland Blackburne has also come on to the board in a non-executive capacity following the retirement of Mr Gerard *Kealey.*



● comment

Flight Refuelling's lastest results go a long way to justifying the *historic high rating of its shares,* which have been selling on a p/e of up to 33 in recent years. Over this period the company has been nailing its colours to several large programmes, all of which are in specialist market niches with good *long-term potential* growth. Having gone through the *development phases,* they are all now starting to show their mettle, particularly some of the weaponry systems and in-flight refuelling equipment. The latest *acquisition, Hymatic, whose pro*ducts (cryogenic cooling systems for infra-red detection equipment) are largely complementary to the group's other operations, *is also comfortably* on target. *If* anything, the only disappointment comes below the pre-tax line, where the Chancellor's last budget measures have stacked up the tax charge from an expected 25 per cent to 35 per cent with the inevitable effect on earnings. At this rate, a likely outturn of £10.5m pre-tax for the year, puts the 267p shares on a prospective multiple of 20—fair enough for a company whose only downside potential at the moment is the relatively small indirect effect on profits that a prolonged miners' strike will have.

Tate & Lyle Canadian offshoot in £28m deal

By George Graham

Redpath Industries, the 51 *per cen-owned* Canadian subsidiary of Tate and Lyle, has agreed to buy Donlee Manufacturing Industries of Toronto for around C$44m (£27.5m). Donlee's main business *is* the manufacture of injection moulded plastic products for the automotive industry.

Redpath will pay C$16m in cash, C$16m in promissory notes repayable over three years, and *400,000 non-voting* preferred shares in Redpath redeemable after years four to six.

Donlee's four present owners will remain in management *positions with the company.*

Redpath has performed strongly so far this year. Its net profits in the nine months to June 30 rose to C$18.96m, up from *C$10.95m* in the same period last year.

Its balance sheet benefitted from the disposal of its half share in Zymaize, a loss-making producer of high *fructose* corn syrup, and the company also realised about C$10m from the sales last week of its plastic pipe manufacturing subsidiaries in Canada and the U.S.

Redpath said earlier this year *that* it was actively seeking acquisitions in its existing business and n related fields. Investment opportunities in sugar, however, have been limited since *the main possible targets* are in strong hands.

Tate and Lyle said the Donlee acquisition made sense for Redpath, and offered some overlap. Redpath is already *engaged in* injection moulding, though in a *different* sector to Donlee, and its aluminium fabrication operations are involved in the same automotive markets as Donlee.

Donlee's pre-tax profits in the year ended December 31 1983 were C$8.8m, and in the first half of 1984 were C$8.5m. Its net assets at June 30 stood at C$17.6m.

Suter withdraws agreed £18.5m bid for Francis

BY ALEXANDER NICOLL

Suter, the air-conditioning and hairdressing equipment group chaired by Mr David Abell, yesterday withdrew its £18.5m agreed bid for Francis Indus*tries, and set a deadline* of next Tuesday for reaching agreement on a new, lower offer.

Suter's move was apparently designed to bring to a swift conclusion the saga of its attempts to take over Francis, a gearbox components and metal containers manufacturer.

The company began building up a stake in Francis in September last year, and attempted to negotiate an agreed takeover. But after waiting in vain for adequate financial information to be provided by Francis, Mr Abell, a former treasurer of BL, *launched a hostile £13m bid in* March.

The bid failed, despite being increased to £14.4m, but Suter had accumulated a 43 per cent stake by the *time it lapsed.* Under normal takeover rules, it is barred from launching a new hostile offer for a year, and can only increase its holding by a further two percentage points during that year.

Negotiations on the future of the 43 per cent stake led to agreement on a new £18.5m bid, announced on October 4.

Mr David Abell, the chairman of Suter

At Francis, however, business had deteriorated. A joint statement issued by the two companies yesterday, with the consent of the Takeover Panel, said: "*In the lightof short term* difficulties and the immediate industrial outlook, results for the last quarter of 1984 are not expected to reach the level pre*viously forecast.*"

Francis' pre-tax profits in the first nine months were estimated at £1.72m, on sales of £30.8m. "Any firm full year prediction would, while being a substantial improvement on last year, show *a material shortfall* from the pre-tax profits of £2.35m forecast in May, even though half year results were consistent with that forecast."

Terms of the withdrawn offer, for which no formal offer document was issued, were five Suter shares for every four Francis, with a cash alternative of 150p *for each Francis share.* Francis shares, suspended on Thursday at 151p, remained halted yesterday. Suter was unchanged at 129p.

Causton closing subsidiary

Sir Joseph Causton & Sons has decided to close Tartan Textiles following its failure to return the operation to a profitable footing.

Announcement of the closure comes 15 months after the disposal of two of Causton's loss-making *commercial colour print*ing subsidiaries to Hunterprint for a nominal sum.

Mr Christopher Bland, group chairman, says that Tartan in*curred further losses of £162,000* in the six months to end-July 1984 and states that it has not proved possible to reverse this situation.

Despite this, however, the overall group result for the period shows a 27 per cent rise in taxable profits from £400,000 to £508,000. This was achieved *on lower turnover of £10.92m,* against £13.28m, reflecting the disposal of Sir Joseph Causton & Sons (Eastleigh) and Causton Repro.

Shareholders in this company, which has interests in printing, publishing and packaging, are *set* to receive a 15 per cent bump up in their interim dividend from *0.784p to 0.9p. Stated earnings* per 25p share fell from 1.7p to 1.4p.

Causton's interim taxable result was struck after lower *interest payable of £202,000* (£210,000) and included other *operating income of* £50,000 (£76,000).

The company's tax bill was sharply *higher* at £229,000, against £99,000.

Budget hits Schroder Financial

The loss of Life Assurance Premium Relief (LAPR) in this year's Budget made a severe dent in the annual premium life *business of Schroder Financial* Management, a member of Schroders, a leading merchant banking group.

New annual life premiums in the year to October 31 1984 fell by more than 11 per cent from *£5.3m to £4.7m, the decline in* business since the Budget more than offsetting the business improvement ahead of the Budget.

However, the decline in life business was more than made up by *a strong rise in pension sales.* Here, new annual pension premiums climbed from £6.7m to £9.7m, an increase of over 40 per cent. This left total new annual premium business up nearly 20 per cent on the year at £14.4m.

Pensions are currently a *buoyant market ahead of any* measures the Chancellor may take in the immediate future or at next year's Budget. The company's single premium pension *sales improved by a third over* the year, from £6.7m to £9m.

Single premium life sales, which were not affected by the loss of LAPR, rose over 40 per *cent from £21.1m to £30m.*

The company's offshore life operations through the Guernsey-based life subsidiary suffered from the Inland Revenue's action *against the tax treatment of off*shore life policies.

Annual and single premium business were each reduced by more than half from last year to £400,000 and £2m respectively, with a seven months standstill in trading while the Revenue resolved its method of *treatment and its new rules for* offshore life business.

Mr Robert Taylor, managing director of Schroder Financial Management, said that future *offshore operations would* concentrate on marketing unit trusts and protection rather than life assurance savings plans.

Unit trust sales at £123m, net of repurchases, were nearly 30 per cent up on the previous year. The unit trust management company further increased its *market share in a buoyant sector* of the savings market.

Total funds under management of the company rose by a quarter to £750m.

Prior Harwin quits Institute

Prior Harwin, a licensed *securities dealer, has resigned* from the British Institute of Dealers in Securities, of which it was a founder member.

The institute, which now has four members, was set up last November in an attempt to *impose self-regulatory* standards on the largely unregulated OTC market.

"We felt that the benefits of being in the institute did not outweight the liabilities. I do not believe that it is capable of adequately policing its members," said Mr Tony Prior, the *managing director.*

The firm now plans to apply for membership of the National Association of Security Dealers and Investment Managers, which won official recognition from the Department of Trade and Industry a year ago.

The Association has a membership of 325 licensed dealers and investment managers, but does not have self-regulaory *powers* over the OTC market.

Prior also announces that the founder of First Venture Capital Corporation, an investment group, has resigned eight months *after the company raised* £120,000 on the OTC.

Mr Richard Elliot-Square, First Venture's managing director, has resigned by mutual consent to devote more time to his property interests. He has disposed of his *entire 27 per cent stake in the* group, which is being placed by Prior Harwin, which has a 15 per cent interest in First Venture.

Mr Prior, together with Mr Ian Jefferson—son of the British Telecom chairman—will act as joint managing directors.

Estates & Agency advances 36%

Estates & Agency Holdings achieved first half taxable profits of £258,000, against £189,500, and the directors point out that the *result would have been £25,000* higher but for a reduction in net interest received following two investments in late 1983. The investments were in D.S *and Western Motor Holdings.*

The 36 per cent profit rise covering *the first six months of* 1984, was achieved on turnover of £511,000 compared with £433,000 and included a £101,000 share this time *from associated* companies.

Estates is engaged in property investment and is a subsidiary of Rosediamond Holdings. As usual there is no interim dividend.

Earnings per share rose from a stated 1.52p to 2.05p after tax of £135,000 (£98,500). There were *extraordinary debits of* £16,000 (£16,500)

The directors point out that the completion of the purchase *of the long leasehold interest in* Donne House, Edgbaston, for £845,000 took place on July 27.

The property is fully let, and current rent passing is about *£95,000 net per annum*

As previously announced, Estates purchased a further 9,000 ordinary shares in Western Motor Holdings. As a result it *holds 29.86* per cent of the ordinary voting shares and 15.84 per cent of the non-voting.

MME expects profit to be 41% higher

A *substantial rise in profits* is forecast by MME Facilities for the current year ending June 30 1985. At the annual meeting chairman Mr G. A. Currie told shareholders they *could expect* a profit of £450,000, compared with £319,000 last time, a rise of 41 per cent.

In the first four months sales had shown a lift of 30 per cent and the profit estimate was based *on sales remaining* at their present level. The company is a member of the USM.

Mr Currie said the company was in a strong cash position *and was currently exploring new* avenues for expansion in the television and communications industry. The company is engaged in post production *operations for a variety of indus*tries such as television contractors, cable companies, record producers and advertising agencies.

Reuters may buy U.S. financial markets system

BY ALEXANDER NICOLL

Reuters, the international business information and news agency group, is negotiating the purchase of Rich Inc, a Chicago-based producer of information networking systems for financial markets.

Terms of the acquisition have not yet been agreed. Rich is *privately owned,* and no figures on its profits or turnover are available. It employs 250 people in 13 offices spread across North America.

Reuters have an exclusive agreement to market a system developed by Rich outside North America. Called the Composite Information System, it is already installed in the trading rooms of three banks in London.

With the system, a dealer has access to an unlimited number of internal and external data systems through a single custom-*designed workstation* with several screens. Reuters markets CIS as one of its interface products, which allow access o information from other sources as well as from Reuters itself.

The acquisition of Rich would be the second by Reuters since its flotation in June. It bought the non-U.S. photo operations of UPI, the U.S. news agency, for £3.3m (£2.7m).

House Property shake-up after share raid

Boardroom changes have followed a share raid on House Property Company of London, a small property investment company chaired by Mr F. Duncumb.

Entrepreneurs Mr Richard *Gray and Mr Stephen Jones have* acquired 14.9 per cent through a raid launched earlier in the week by Schaverien, stockbrokers.

Yesterday, it was disclosed that Miss Margaret Hornby had resigned as a director and secretary, and that Mrs Ann de Weck, already a director, was appointed *secretary. Mr David Kirch,* a Channel Islands investor, has increased his holding to 8 per cent and Mr James Chinn has sold his minority holding.

Refuge seeks holding company structure

The board of Refuge Assurance, Manchester-based home service insurance company, is proposing *to change* its corporate structure into a holding company style, with the holding company being a non-insurance company.

Under a scheme of arrangement, shareholders of Refuge Assurance are being asked to exchange their present shares for shares in Refuge Group, the name of the holding company, on the basis of two shares in *the holding company for every* one held now. Thus a share split is being made at the same time.

Until 1981, the company's *activities were* confined to its traditional business of industrial and ordinary life assurance with a relatively small general insurance operation. Now the *group is becoming increasingly* involved in a broader range of services, particularly in the area of linked life assurance—the fastest growing sector of the UK *life assurance market.*

However legislation restricts the activities and financial structure of insurance companies, and greater flexibility is *obtained by having a non*-insurance holding company.

Refuge is the latest of several insurance groups to change its corporate structure in this way.

GA reorganising UK life and pensions side

THE General Accident Group, one of Britain's leading composite insurance groups, is reorganising and renaming its *life and pensions operations in* the UK.

At present GA has two life subsidiaries —Yorkshire-General Life Assurance Company, with its head office in York, and English Insurance Company, based *in Croydon.*

GA, like most other composites, has been endeavouring to expand its life and pensions operations in recent years. This section of *the insurance market has been* thriving. Mr Buchan Marshall, GA's chief general manager, said that the new move would give additional impetus to the expansion strategy under the General Accident name.

Yorkshire-General, a traditional life company, is to be renamed General Accident Life Assurance and will continue its *present form of business.* English Insurance, which specialises in the group pensions field, will operate under the name of General Accident Linked Life Assurance and will be the vehicle for GA's entry into the linked *life market next year.* It will still retain its group pensions business.

£2m expansion for Magnet & Southerns

Subject to contract Magnet and Southerns, joinery, kitchen unit and double glazing group, has agreed to purchase Hyphen Fitted Furniture for a maximum consideration equal to £2.05m. Hyphen's products are for the kitchen, bedroom and bathroom.

Consideration will be met by Magnet in four separate stages, each consisting of a share issue and a balance of cash. After the first stage the consideration is subject to profit performance by Hyphen.

The first stage payment will be *partly satisfied by Magnet issuing* to the vendors new shares having a market value of some £730,000, with the balance payable in cash. The second stage payment will be *related to profits of Hyphen* for the year ending June 30 1985, and will be partly satisfied by the issue of shares up to a maximum market value of around £406,000, and the balance in cash.

Payment for the third stage will be related to profits in respect of 1985-86, and will be partly met by the issue of shares up to a maximum value of some £243,000, with the rest in cash.

In the last stage the vendors will have the option to relate *the profit to 1986-87 or to the* following year. Shares will be issued to a maximum market value of around £284,000, and the balance will be cash.

Hoskins to raise payment

Hoskins & Horton, a holding company with interests in hospital bed manufacture, civil engineering and building *materials, is forecasting higher* profits and promising a dividend increase in its defence against a £6.1m bid from Scottish Heritable Trust.

H & H forecasts a 24 per cent increase in pre-tax profits to £1.15m, and a 25 per cent dividend hike to 10p for 1984. A revaluation has put net tangible *assets at £8.3m, or about 233p* per share, and cash balances are £1.4m.

H & H said it sees "extremely limited commercial logic" in a combination with SHT, also a holding company with diverse interests. The bid offered only a slim premium above H & H's *share price before* the bid was announced, it said.

SHT is offering three of its shares plus 65p in cash for each H & H share, and is seeking to *gain greater market penetration* for the West Midlands quarrying activities of the two companies. H & H, however, said the quarries of the two companies *are too far apart to benefit from* the other's operations.

Yesterday, SHT shares were at 53p, up 2p, and H & H at 240p, unchanged.

Sharp increase for Airflow Streamlines

A sharp increase in profits *before tax from £180,000 to* £261,000 has been shown by Airflow Streamlines for the six months to the end of August 1984. Turnover of this manu*facturing and motors group,* which has a Ford main dealership, rose from £13.35m to £14.04m.

The net interim dividend has been *held at 0.25p—in the last* full year a total of 1p was paid from pre-tax profits of £620,038.

Some improvement has been experienced in certain sections of the *manufacturing division* and a contribution was made by a recently acquired company, Pegasas Phosprime. Intensive competition depressed sales and *reduced margins in the motor* division.

Basic first half earnings per 25p share were shown as rising from 0.95p to 1.85p.

BIDS AND DEALS IN BRIEF

At a Dixons Group EGM yesterday, a resolution to approve the acquisition of Currys, to increase the authorised share capital of Dixons and to authorise the allotment of Dixons new ordinary shares was duly passed.

* * *

On November 1, J. Henry Schroder Wagg *purchased, for its* own account, 1.5m shares in Premier Consolidated Oilfields at the following prices: 1m at 63½p; 250,000 at 62½p; and 250,000 at *61½p.*

* * *

Caldbeck MacGregor, a wholly owned Inchcape subsidiary, has acquired the wines and spirits division of Burns Philp in Australia for £3.8m.

This acquisition makes Caldbeck the largest independent distributor of wines and spirits in Australia.

Caldbeck's sales exceed 2m *cases annually with a turnover* of more than £140m in the six countries in which it operates—Australia, Hong Kong, Japan, Malaysia, Thailand and Singapore.

The acquisition is in line with Inchcape's plans to develop liquor distribution activities.

* * *

Gregory Securities, headed by Queens Park Rangers' chairman Mr Jim Gregory, was the only bidder yesterday for the 29 per cent of Glanfield Lawrence which it had put out to tender in accordance with a Takeover Panel ruling.

Gregory now holds 42.4 per cent *of the motor distributor* and engineering group and is offering 55p per share for the remainder, valuing Glanfield at £2.9m. Glanfield made no *response yesterday.*

* * *

Laporte Industries (Holdings) has acquired a 75 per cent holding in Fine Organics for £4.05m, *to be satisfied by £3.68m in cash* and the issue of 107,536 ordinary Laporte shares. Laporte has also agreed to acquire the remaining 25 per cent shareholding in 1990 for a *further cash sum being the* higher of £1.35m, or a sum determined mainly by the proportion of the company retained by the vendors and the average profits of the financial years 1988 and 1989.

Net tangible assets of Fine Organics were £1.36m at September 30 1983 and sales for the year to that date were £5.8m from which pre-tax profits of £516,000 were *struck. The com*pany is privately held and specialises in the manufacture of fine organic chemical intermediates for the pharmaceutical, agrochemical and other industries.

* * *

Powell Duffryn is joining forces with Blanzy Quest, based in Paris, to strengthen both companies' positions as independent fuel distributors in France.

Compagnie Francaise Powell Duffryn, a subsidiary, and Blanzy will combine their respective coal and fuel oil distribution *businesses in a jiontly owned* company, Combustibles Blanzy Quest Powell Duffryn, with effect from January 1 1985.

Other trading activities of the *new partners will be unaffected* by the arrangements.

* * *

Nova Holdings, a Guernsey-based investment company, has purchased 5,830 (29.9 per cent) shares in Amalgamated Financial *Investments* from Dove Holdings (Jersey), which prior to the sale owned 51 per cent of the capital. It is not the intention of Nova to acquire any *further shares or to make a* general offer for AFI.

* * *

Lord Hanson, chairman of Hanson Trust, has sent proposals *to shareholders relating to new* option schemes following the introduction in the 1984 Finance Act of capital gains tax approved schemes.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Midland Bank put forward a highly emplex deal this week to buy out the minority shareholders of *Crocker National Bank, its* troubled 53 per cent owned Californian subsidiary, and won the *backing of the latter's board. Midland is raising the value of the* paper offer to Crocker shareholders from $25 to $27 and is including a cash payment linked to Croker's profits over the next three years. The face value of the stock being offered is about $249m.

Tarmac made a 14.3m vendor share placing to finance its biggest-ever U.S. acquisition. The construction group is paying *£66m for the concrete-making and quarry interests of* Lone Star Industries in Florida.

Ward White, the Northamptonshire-based shoe retailer, emerged as the buyer of the Halfords car accessories retail chain of shops. Ward White is to pay Burmah Oil £52m for Halfords—£32.5m immediately, with £20m of this raised through the issue of 16m new shares and £12.5m through a medium-term loan. The remainder of the payment will be spread between now and February 1989 and will depend, in part, on Halfords' profits performance during the period. The deal triples Ward White's high street selling space from 300,000 sq ft to over 1m sq ft and *increase its number of outlets from more than 400 to over 750.*

UK advertising agency Saatchi and Saatchi announced two more U.S. acquisitions via the acquisition from RSC *International* of Yankelovich, Skelly and White and Melber & Co., two New *York-based market research specialists for $13.5m.*

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Advance Services	118½	114	91	6.68	BET
Atlanta Inv	132	128	123	5.29	Grovebell
Bridgewater Ests	325‡§§	320	280	17.74	Peel Holdings
Currys	405§§	430	311	188.64	Dixons
East Lancs Paper	78§	75	60	3.57	British Syphon
Glanfield Lawrce	49½*§	55	49	3.60	Gregory Secs
Gordon & Gotch	140*	140	122	6.40	Brld & Wkly Tms
Raylers	170*§	185	125††	1.95	Tomkins F. H.
Hoskins & Horton	224§ §§	240	188	6.08	Scottish Heritable
ICL	91½	91	61	411.46	Std Tel & Cables
Johnson Grp Clnrs	*410**	440	*362*	*44.41*	*Nottingham Mftg*
Kent (M. P.)	80½§§	78	67	34.53	Beazer (C. H.)
Reliance Ind	36½	35	25	2.86	Corah
Romai Tea	£10*§	£11	530	1.95	Williamson
Small & Tidmas	77½*	73	70	0.93	Swiss Net
Waddington (J.)	*500*§*	*532*	*463*	*33.49*	*BPCC*

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital *not already held.* ∥ *Unconditional.* ** *Based on November 2 1984.* †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined.

Scrip Issues

Registered shareholders of J. Hepworth and Son are to receive a two for 1 scrip issue.

Offers for sale, placings and introductions

Alida is returning to USM via a placing of 1.34m shares at 140p *each to give a £7m market capitalisation.*

CVD Inc.—USM placing of 2,857,125 shares at 105p per share.

J. Howard and Co.—Placing of 5.15m ordinary shares at 71p on Granville's over the counter market.

Gabicci—USM placing of 1.3m shares at 78p per share.

Instem—USM placing of 1,273,599 shares at 145p per share.

Stock Beech is placing 2.1m

Klark-Teknik shares on the USM at 85p each, dealings are expected to open on Tuesday.

Plasmec—USM *placing of 1.4m shares at 70p* [illegible]

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aitken Hume	Sept	3,080	(1,490)	2.25	(2.2)
Avana Group	Sept	7,710	(6,670)	4.5	(3.75)
Bonar Inc	Sept†	3,150	(2,100)	—	(—)
Boosey & Hawkes	June	136L	(481)	—	(—)
Boot, Henry	June	497	(255)	3.0	(3.0)
Cars Group	June	457	(467)	1.35	(1.25)
Clayton Son & Co	June	29	(155)L	—	(—)
Clmnt Clarke Hdg	June	610	(831)	1.45	(1.31)
Coates Bros	*June*	*5,720*	*(3,820)*	*1.4*	*(1.0)*
Cole Group	June	54	(232)	1.5	(1.5)
Electrocompnnts	Sept	12,750	(9,900)	1.6	(1.3)
Ellis & Goldstein	July	1,310	(480)	0.85	(0.85)
Exploration Co	June	342	(509)	—	(—)
Foster Bros Cloth	Aug	1,520	(1,710)	1.25	(1.25)
Gallaher	Sept††	31,800	(27,000)	—	(—)
Henderson Group	Sept	2,840	(2,350)	2.25	(1.6)
Hopkinsons Hldgs	July	2,560	(1,910)	1.5	(1.2)
Imm Bus Systems	Sept	845L	(1,230)L	—	(—)
Miller, Stanley	June	303L	(106)	—	(—)
Milletts Leisure	July	160L	(200)	2.95	(2.95)
North Goldsmiths	Aug	130L	(103)L	2.0	(1.85)
Photax	June	40	(79)L	—	(—)
Plant & General	*June*	1,150	(338)	2.0	(1.5)
Reed Intl	Sept	45,200	(39,200)	5.75	(5.0)
Sangers	Aug	157L	(228)	—	(—)
Stanelco	Aug	48	(38)	—	(—)
Tern	June	113	(29)L	0.75	(—)
Utd Ceramic Dist	June	98	(80)	1.0	(1.0)
Upton E. & Sons	Aug††	286L	(331)L	—	(—)
Walker C. W. Hds	Aug‡	15L	(219)	—	(—)
Webster Group	June	181L	(405)	0.9	(0.9)
Weeks Ass	Aug	270L	(100)L	—	(—)

(Figures in parentheses are for the corresponding period).

* Dividends are shown net pence per share except where otherwise indicated. † Figures for nine months. †† Figures for [illegible]

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Lon Prop	June	2,840	(2,437)	7.1	(6.2)	1.7	(1.33)
Amber Day	May	36	(311)L	—	(—)	—	(—)
Brikat Group	July	726	(162)	8.6	(4.2)	0.75	(—)
Bt Car Auction Gp	July	9,330	(8,000)	8.7	(5.6)	2.9	(2.63)
Burgess Prod	July	72	(237)L	—	(—)	0.5	(1.5)
Epicure Hldgs	June	207	(1,150)	0.5L	(3.2)	1.56	(2.13)
Fairview Estates	June	10,090	(7,510)	22.9	(17.7)	6.15	(5.50)
Floyd Oil Part	June	221	(79)	—	(—)	—	(—)
Hepworth J. Sons	Aug	13,620	(8,560)	—	(—)	7.75	(5.5)
LDH Group	May	123	(96)	1.1	(1.3)	—	(—)
Manganese Brnze	June	751	(467)	7.1	(3.1)	2.5	(2.17)
Martinair	July	5,250	(4,276)	23.0	(19.0)	9.5	(8.5)
Rrdn Smith Line	Mar	1,790L	(8,790)L	—	(—)	—	(—)
Stothert & Pitt	June	908	(303)	33.9	(9.7)	3.0	(—)
Yarrow	June	1,610	(1,260)	31.9	(25.2)	11.0	(10.0)

Rights Issues

Automated Security Holdings to raise £14.8m through a rights issue on the following basis: one new preference share for every four ordinary shares, seven new preference for every three existing preference shares and five new preference shares for every £12 nominal of convertible loan stock. All shares are being issued at £1 per share.

Normans Group to raise £5.5m through a rights issue on the following basis: one new £1 nominal unit of 8½ per cent convertible unsecured loan stock 1999-2004 will be issued at par for every six shares of 10p.

Plantation and General to raise £2.9m through a rights issue of convertible unsecured loan stock at 9 per cent 1988-99 at rate [illegible]

UK COMPANIES

Companies and Markets **INTERNATIONAL COMPANIES and FINANCE**

RESULTS DUE NEXT WEEK

The uncommonly mild weather lately in Europe will have done little to help oil giant Royal Dutch/Shell, which reports its third quarter figures to end-September on Thursday. Other difficulties include the strength of the dollar against European currencies, which has made downstream oil products expensive in Europe and led correspondingly to very competitive market conditions. Offsetting that, though, will be some benefit from currency translation of sales of crude. But the third quarter is in any case a seasonally weak one for the group; the only major source of real growth, in fact, is likely to be in North America. Analysts are looking for a net figure in the third quarter of around £750m, against last year's £645m; this should give a running total for the nine months of some £2.5bn, against £1.77bn last time. It would seem that this growth is already discounted by the market, which is looking with mixed feelings towards next year.

Each year one wonders how J. Sainsbury, already so efficient and streamlined, can manage to find further improvements in volume and margins. The indications are that the food retailing giant has managed it again, though admittedly at a slower pace than some periods in the past. It will have been helped by an acceleration in food price inflation which will probably have been passed onto the customer. Although some of the stores may have reached saturation point, Sainsburys is expected to have added a couple of points to volume. Heavy opening costs will knock the contribution from SavaCentre, the joint venture with British Home Stores, but longer term prospects look good. Analysts expect pre-tax profits to be around £78m for the six months to September, when they are announced on Tuesday. That indicates an increase of around 24 to 25 per cent over last year's £62.5m, a slowing down of 3 or 4 percentage points in the growth rate. Net dividend should be around 1.44p net compared with 1.2p.

The sale of Premier Group in South Africa at the end of the first quarter last year, will distort the interim figures from Associated British Foods, to be announced on Monday. ABF loses Premier's profit contribution but gains interest on the cash mountain arising from the sale, leaving an overall deficit of around £5m to £6m on last year's figure. Analysts expect the food manufacturing company to have made up most of the difference from the remaining businesses, though none have particularly sparkled in the period. After a tough first quarter, milling may show some benefit from declining grain costs, while the Fine Fare stores should show the immediate benefit of lower costs from a slowing down in the new stores programme. Pre-tax profits for the six months to September are forecast for between £1m either side of last year's £54.9m figure. The market is likely to only get excited again when ABF decides to spend some of its cash on an interesting new acquisition.

City analysts are agreed that Friday's half-way figures to end-September from merchant bank Hill Samuel will be an unusually poor guide to future performance. The bank's interim statements have proved unreliable in forecasting the full year out-turn in the past; at present, though, there is the additional problem of the future role of such institutions in the City revolution. Hill Samuel has already struck a merger deal with stockbrokers Wood Mackenzie, and its £41m rights issue—effective in August—is an earnest of further expansion plans. Again, its handling of the massive £300m Jaguar privatisation issue in July will have done a certain amount for income, but probably more again for the bank's drive towards international recognition. Expectations on the figures vary quite widely: against last year's £10.8m net, forecasts range from £13m to above the £14m mark.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDEND				
Bridport-Grundy	Monday	1.1	2.13	1.25
Cramphorn	Monday	5.0	20.0	10.0
Drayton Consolidated Trust	Monday	2.0	6.5	2.0
Gomme Holdings	Tuesday	—	—	—
Jessups	Wednesday	0.5	1.0	1.0
London & Provincial Shop Cntrs (Hldgs)	Wednesday	0.75	0.25	—
Microfilm Reprographics	Tuesday	—	—	—
Murray Electronics	Thursday	—	—	—
National Australia Bank	Thursday	—	—	—
North Atlantic Securities	Thursday	1.0	2.0	1.0
Peters Stores	Wednesday	1.0	1.0	1.0
Scottish Cities Investment Trust	Thursday	4.0	9.6	4.0
Wolseley-Hughes	Tuesday	5.08	10.81	5.35
INTERIM DIVIDEND				
Aberfoyle Holdings	Wednesday	—	—	
Applied Computer Techniques	Monday	0.166	0.566	
Aquascutum Group	Thursday	1.071	1.857	
Asset Special Situations Trust	Thursday	—	—	
Associated British Foods	Monday	1.6	3.4	
Bradford Property Trust	Tuesday	3.2	2.8	
British Borneo Petroleum Syndicate	Thursday	5.0	10.0	
British Investment Trust	Monday	5.1	6.5	
Bronx Engineering Holdings	Monday	0.25	0.79	
Buckley's Brewery	Thursday	0.75	1.7	
Capital Gearing Trust	Thursday	—	0.175	
Cater Allen Holdings	Wednesday	8.0	20.875	
Churchbury Estates	Thursday	5.7	12.8	
Delyn Packaging	Monday	1.0	1.5	
Futura Holdings	Friday	1.5	2.75	
Hambros Investment Trust	Tuesday	1.0	2.7	
Hartwells	Wednesday	0.41667	2.28667	
Hill Samuel Group	Friday	3.0	7.6	
King and Shaxson	Thursday	2.5	5.75	
Lowland Investment Company	Thursday	2.3	4.2	
Northern Securities Trust	Thursday	0.66666	1.0	
Philips Lamp Holding	Wednesday†	—	—	
Polymark International	Friday	—	—	
Royal Dutch Petroleum	Thursday†	—	—	
Rush and Tompkins	Wednesday	2.0	5.25	
J. Sainsbury	Tuesday	1.2	2.55	
"Shell" Transport and Trading	Thursday†	—	—	
Shiloh	Wednesday	0.75	0.75	
Small, John C. and Tidmas	Friday	—	—	
Tysons (Contractors)	Monday	—	2.5	
Warrington, Thomas	Wednesday	1.75	4.41	

†Third quarter figures.

COMPANY NEWS IN BRIEF

Following the first-half loss of £40,928, Regentcrest, property group, moved firmly back into profit to record a £216,000 pre-tax surplus for the year to April 30 1984, against a £71,000 deficit before. The board views the current year's prospects with optimism.

The company is returning to the dividend list with a payment of 1p net—the last distribution was in 1974.

* * *

Goodman Brothers, clothing manufacturer, is dropping out of the dividend list for the second time in three years after seeing its pre-tax profits tumble by £101,413 to £63,315 in the 12 months ended April 30 1984.

The company, which trades under the Richmond, Leygil, Linzi and Sidwall brand names, paid 0.75p net to shareholders last time. Profits have fallen steadily since reaching a record £681,000 in 1979, although a partial recovery was reported for 1982-83.

Turnover for the past year totalled £10.8m (£10.52m), including exports of £1.96m (£2.37m). Tax accounted for £13,609 (£15,275). Earnings per 5p share amounted to 0.508p (1.531p). On a nil distribution basis they were 0.508p (1.853p).

* * *

Although pre-tax profits of Wire and Plastic Products showed a fall of £62,000 to £131,000 over the first half of 1984 the directors say the downward trend has been arrested.

They tell shareholders that relocations of some of the group's activities have been substantially completed and that they look forward to the benefits coming through in future trading.

Turnover for the period of this Kent-based holding company slipped from £1.67m to £1.6m. Operating profits amounted to £102,000, compared with £155,000.

Despite a 1.24p drop in earnings per 10p share to 1.88p the net interim dividend is being maintained at 1p—a total of 2.1p was paid for 1983 from pre-tax profits of £269,815 (£222,427).

* * *

At the net level losses of Anvil Petroleum widened from £329,000 to £657,000 in the year to end-June 1984 with the loss per 20p share emerging at 7.8p, compared with 6.4p, pre-extraordinary item.

Turnover of this oil and gas exploration and production company moved ahead from £627,000 to £944,000. Net income from producing operations dropped from £121,000 to £2,000. Depreciation, production costs and administration expenses all increased.

Exploration expenditure written off declined to £319,000 (£466,000) and interest and other income receivable rose to £204,000 (£112,000). The attributable loss amounted to £945,000 (£326,000) after taking account of an extraordinary debit of £288,000 (credits £3,000).

* * *

In line with a forecast made last June by J. Smart and Co (Contractors) that profits would be not less than £840,000, some increase has been shown from £828,950 to £878,581 for the year to the end of July 1984. Also as forecast, a final net dividend of 2.85p has again been declared, which holds the total at 3.95p.

Earnings per 10p share are shown at rising from 6.47p to 6.58p.

Turnover of this building and public works contractor amounted £11.53m (£13.58m)—at the interim stage it was forecast the turnover would be 10 per cent lower.

* * *

Souza Cruz Industria e Comercia, a Brazilian subsidiary of BAT Industries, has shown a rise in net profits from 39.9bn cruzeiros to 170.7bn cruzeiros (£52.85m) for the nine months to September 30 1984.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Joseph Causton	int.	0.9	Dec 14	0.78	—	2.35
Flight Refuelling	int.	1.1	Dec 19	0.9	—	2.5
British Empire Secs.		0.7	—	0.7	0.9	0.9

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Report details Malaysian bank's lending to Carrian

BY WONG SULONG IN KUALA LUMPUR

BANK BUMIPUTRA, Malaysia's largest bank, lent as much as HK$3.7bn (U.S.$473m) between 1982 and 1983, or nearly 60 per cent of total outstanding loans of HK$6.13bn, to the Carrian and Eda property companies of Hong Kong in an attempt to save them from collapse.

This was revealed in an interim report, submitted by Tan Sri Ahmad Noordin, the Malaysian Auditor - General, released yesterday by the Government.

The rescue attempt, launched when Carrian and Eda got into financial difficulties following the collapse of the property market in 1981, was abandoned when a senior Bank Bumiputra official was murdered in Hong Kong in July last year.

The release of the 13-page interim report is likely to pave the way for the resignation of Dr Nawawi Mat Awin as Bank Bumi's chairman.

Dr Nawawi, a senior politician of the ruling United Malays National Organisation, has been severely criticised for his handling of the Hong Kong loan scandal, although he has denied authorising any of the loans since he took over the bank in April, 1982.

The interim report dealt mainly with the loans given out by Bumiputra Malaysia Finance, the Bank Bumi Hong Kong subsidiary, to Carrian and Eda.

The Malaysian Auditor-General and his team are now looking into other aspects of the loan scandal, including the questiof any bank official being criminally liable.

Bank Bumi is now under the control of Petronas, the Malaysian state-owned oil company, which was ordered by the Government last September to inject U.S.$ 1.1bn to rescue the bank from collapse.

Petronas yesterday announced its results for the year ended March 1984. After-tax profit was 2.9bn ringgit (US$1.2bn) on revenues of 8.4bn ringgit. Profits were up 16 per cent

IBM asked for Rohm bid data

BY PAUL TAYLOR IN NEW YORK

THE U.S. Justice Department has requested additional information concerning IBM's proposed $1.25bn acquisition of Rolm, the West Coast advanced telecommunications equipment manufacturer.

It is understood that the Justice Department is seeking additional information about the two companies' military computer business.

Justice Department approval for the planned acquisition, announced in September, is required under the U.S. Hart-Scott-Rodino Antitrust Act. The Justice Department action, which could delay the deal, came on the last day before the waiting period under the act expired.

Both IBM and Rolm have expressed confidence that the merger will be approved. Rolm shareholders are due to vote on the deal on November 21.

IBM said the companies would provide the additional information as soon as possible.

Louise Kehoe in San Francisco writes: Yesterday Rolm introduced two products which marry its telephone equipment with personal computers compatible with those sold by IBM. The Cedar personal comuter incorporates a full feature telephone with single-digit dialing, a spekerphone and telephone number display.

The unit is priced at $4,245. For current IBM PC users, Rolm is offering an add-on telephone unit including a modem which offers the same features as the Cedar workstation.

Both units are designed for use with Rolm's private branch exchange equipment. AT&T, Hewlett-Packard and Compaq are all believed to be developing similar products to address the growing demand for combined voice and data communications systems.

Irving Trust in talks with Turkish bank

By David Barchard in Ankara

IRVING TRUST, the U.S. banking group, is holding talks with Tutunbank, one of Turkey's foremost exporting banks, with a view to buying a third of its equity.

The purchase, if agreed, would be the first of its kind in Turkey, though Chemical Bank of the U.S. recently announced plans to set up a Turkish bank in a joint venture with Mitsui and the Istanbul based construction group, Enka.

Tutunbank made a profit last year of TL 1.500m ($3.6m). It has 34 branches with headquarters in Izmir.

Kumpulan Guthrie move to take over Highlands

BY OUR FINANCIAL STAFF

KUMPULAN GUTHRIE is to acquire a 26 per cent stake in Highlands and Lowlands, a rival Malaysian plantations group, and make an offer for the outstanding shares that values Highlands at around 815m ringgit (U.S.$340m).

Kumpulan is buying the shareholding from Kuala Lumpur Kepong, another plantations group. The deal gives Kumpulan and its parent company, Permodalan Nasional, the Malaysian state investment agency, more than 50 per cent of the Highland's capital.

Shareholders in Highlands will eventually receive an offer of 2.7 ringgit a share from Kumpulan, the price at which the 26 per cent stake is changing hands.

Kuala Lumpur Kepong, which is Malaysia's fourth largest plantations group, is to exchange the stake in Highlands for a susidiary of Kumpulan. The subsidiary is Kumpulan Jelei Sendirian.

Kuala Lumpur Kepong, whose profits are rising rapidly, has controlled 26 per cent of Highlands since the end of 1982.

For the six months ended March 1984 Kuala Lumpur Kepong reported pre-tax earnings more than doubled to 41.1m ringgit.

$435m buyout offer for Scott & Fetzer

By Terry Byland in New York

THE TUSSLE for control of Scott and Fetzer, the Ohio-based consumer products group, took a fresh turn with the offer of a $435m leveraged buyout from the company's management and workforce.

The buyout is being made under the leadership of Kelos, a securities firm specialising in employee stock plan buyouts. Kelso said the offer required the approval of the Scott board and "we would go away" if this was lacking.

The Scott board invited bids following an aborted management buyout worth $350m, and the company's rejection of a $420m bid from a group led by Mr Ivan Boesky, a New York entrepreneur.

The latest offer would be made through Scott's employee stock ownership plan, a technique pioneered by Kelso, which said it had secured the required financing, except for the portion to be provided by the Scott management.

If successful, the offer would leave Kelso with a minority stake in the new group. The Scott directors met yesterday to consider their resopnse.

Ericsson in Italian computers pact

By Alan Friedman in Milan

SGS-ATES, Italy's leading semi-conductor company, has signed two accords with Ericsson, the Swedish data processing and telecommunications group, under which the two companies are to collaborate.

Under the first agreement, between SGS and Ericsson Installation Systems, SGS is to be treated by Ericsson as a "preferred supplier" of microchips. SGS said yesterday it was unable to place a value on the orders this could mean.

The second agreement calls for joint research, product development and possibly marketing collaboration between SGS and Ericsson's Rifa subsidiary, a semi-conductor maker. The two companies are expected to join forces in the field of linear integrated circuits.

Lufthansa near deal on Kempinski hotels

BY JOHN DAVIES IN FRANKFURT

LUFTHANSA, the West German airline, is hoping to see agreement this month on a complex deal under which it would take a stake in the Kempinski chain of luxury hotels.

Under the deal, equity stakes in Kempinski could also be taken by a wealthy Saudi Arabian investor and by other West German hotel interests.

The Lufthansa move would have to be approved by the Federal Government in Bonn, which owns three-quarters of the airline's shares. The Government vetoed a Lufthansa move to acquire a Kempinski stake a year ago, but airline executives believe it may take a different line now.

The Kempinski group includes the Atlantic Hotel in Hamburg, the Bristol in Berlin, the Gravenbruch in Frankfurt and the Vier Jahreszeiten in Munich. The shares are publicly traded, but about 80 per cent are held by two of Germany's biggest banks, Dresdner and Commerzbank.

The banks have been interested for some time in reducing their stake and the Kempinski management has been pressing for closer ties with Lufthansa as a means of building up the hotels' international business.

Lufthansa already has 62 per cent of the Penta hotel chain, as well as a stake in the Inter-continental hotels in Germany and in hotels in Kenya.

The Hyatt hotel group of the U.S. is also believed to be a possible contender for the Kempinski chain.

Kempinski had net profits of under DM 1m ($335,000) on turnover of DM 154m last year.

Pan Am third quarter hit by strong dollar

BY OUR NEW YORK STAFF

PAN AM, parent of Pan American World Airways, reported a 93 per cent drop in third quarter earnings and said it planned to cut 850 jobs and take other cost-cutting measures in an attempt to save about $30m a year.

The airline blamed the setback — third quarter earnings fell to $5.6m or 5 cents a share from $76.8m or 83 cents — on the strong dollar and a sharp reduction in charter and other revenues reflecting a temporary shortage of aircraft.

In addition it noted that 1983 third quarter net earnings were inflated by a $31.1m non-recurring gain, while this year's earnings were reduced by a $10.5m in non-recurring pension expenses.

Pan Am's results are in sharp contrast to those of other U.S. airlines, which have reported higher earnings for the quarter. However, despite the year-on-year earnings decline, the small profit does compare with losses for the three preceding quarters.

The airline said operating revenues for the latest period fell by 7.5 per cent to $996.3m, while operating expenses declined by 3.6 per cent to $962.2m resulting in an operating profit of $34.1m compared to $78.5m last year.

Pan Am said that the strong dollar was responsible for reducing revenues by $19.3m during the quarter. About 35 per cent of Pan Am's tickets are denominated in foreign currencies. In addition, the airline said foreign-exchange losses widened to $8.5m from $7m in the year-ago quarter.

Dome may sell Syncrude stake

BY BERNARD SIMON IN TORONTO

DOME PETROLEUM, the debt-burdened Canadian oil and gas producer, is considering the sale of its 3.75 per cent interest in the Alberta synthetic crude oil producer Syncrude.

A Dome official declined to comment on reports of a likely sale price of C$100m ($U.S.76.3m), or to disclose reasons for the sale. But he said that the Syncrude holding was regarded as one of the "core" assets on which the company had said its future operations would be centred.

A Calgary oil analyst said that Dome, on the advice of its lenders, may be unwilling to contribute its proportionate share of Syncrude's current C$1.2bn expansion programme. The project will increase Syncrude's capacity by one-fifth to 130,000 barrels a day by 1988.

Dome has disposed of several non-core assets in recent years, including oil and gas properties

Judge heads Hong Kong inquiry into abortive HK$ 1bn property deal

BY DAVID DODWELL IN HONG KONG

A HONG KONG High Court judge was yesterday appointed chairman of a tribunal set up to investigate possible insider share dealing in connection with an abortive HK$1bn (US$128m) property deal which involved prominent business figures from the crown colony and mainland China. Only once before has such a tribunal been set up in Hong Kong.

Mr Justice Philip Clough, who is 60 and was appointed to the High Court just 18 months ago, will conduct the inquiry — with two lay members. They are Mr Gordon Macwhinnie, a retired accountant with intimate knowledge of the territory's securities industry, and Mrs Barbara Wong, managing director of KB Luxembourg (Asia), the Belgian bank.

The tribunal, which plans to hold its first meeting next week, is to investigate dealings in the shares of International City Holdings (ICH), a property group controlled by Cheung Kong Holdings and Hongkong Electric, between January and the end of June.

Hong Kong's Securities Commission began investigations in July after learning that Everbright Industrial, a mainland Chinese corporation, had backed out of an agreement to buy a luxury property development from ICH

When reports of the deal were first leaked in January, the market had thought Everbright had made a firm commitment. In the event, it was no more than an option to buy.

Mr Justice Clough has been given three years to report to Hong Kong's Financial Secretary whether "culpable insider dealing" in ICH's shares took place, and who might be involved. He is likely to report much sooner, however. The only previous tribunal, headed by Mr Justice Barker, attracted local criticism for taking two years to make its report.

Appointment of the tribunal comes at a time when serious efforts are being made in Hong Kong to improve regulation of the securities industry and to strengthen corporate disclosure rules.

However, Mr Robert Fell, the colony's recently appointed Commissioner for Banking and Deposit Taking, yesterday emphasised in his first public statement since appointment that the role of supervisor "was promotional as well as regulatory."

Addressing the Hong Kong Society of Accountants, he insisted that regulation was self-defeating if it only produced a declining financial sector, and highlighted regulation as "part of the wealth creation process."

While accepting that there might be times for "ruthless action," Mr Fell said the Commisssion's role was not "to pursue regulation by prosecution," but to enhance the dynamism of the financial markets.

He focused on two major challenges facing the industry as it emerged from protracted recession—the rapid liberalisation of financial markets, particularly in Japan and Australia, and the growing influence of overseas banks as trade in the Asian region increases, and as Hong Kong is pinpointed as a centre for operations in China.

WORLD STOCK MARKETS

NEW YORK

WALL STREET

Higher on fall in money supply

SLIGHTLY HIGHER levels prevailed on Wall Street yesterday, when enthusiasm over a sharp drop in the nation's Money Supply overcame some early profit-taking.

By 1 pm the Dow Jones Industrial Average was up 4.42 to 1221.5, making a rise of 16.56 on the week, while the NYSE All Common Index at $96.66, rose 15 cents on the day and $1.32 on the week. In the broader market, advancing issues were ahead of losers by about a seven-to-five majority. Trading volume expanded 5.13m shares to 79.41m compared with 1 pm Thursday.

Analysts said the Stock Market in general was helped by the $2.5bn decline in the U.S. Money Supply that was abounced late Thursday.

But they said traders are likely to remain cautious until after next week's Presidential election.

Tenneco led the active list, off $¼ to $35¾ on volume of 2.2m shares.

Eastern Fuel and Gas rose another $½ to $26½.

American Electric Power were off $¼ to $20—blocks of 250,000 shares and 780,000 shares traded at that price early in the session.

Mohawk Data, the third most active issue, shed $¼ to $9¼—a block of 827,200 shares traded at $8¾. Several Institutional investors have large positions in the company.

Eastern Gas and Fuel rose another $½ to $26½ — it said there are no Corporate developments to account for the action.

United Technologies fell $1¾ to $38 — a Special Committee of the Board is investigating allegations of misconduct by Chairman Harry Gray.

Precious Metal stocks rose with the sharp increase in the price of Gold. ASA moved up $1¾ to $58¾ and Newmont $2 to $38¼.

Gillette improved $1¾ to $55¾ —it will benefit from recent weakness in the dollar.

Scott and Fetzer put on $1¼ to $58¼ — Kelso and Co offered to assist in a $61 a share leverage buyout of the company.

THE AMERICAN SE Market Value Index gained 0.63 to 209.27, reducing its loss on the week to 0.04. Volume decreased 561,000 shares to 2.577m, compared with 1 pm Thursday.

Prentice-Hall advanced $2¾ to $49¾—Thursday it said there was no reason for its recent stock action.

Closing prices for North America were not available for this edition.

CANADA

Stocks continued higher at mid-session, led by gains among Golds, Metals and Oils.

The Toronto Composite Index rose 12.6 to 2,367.3 as advances led declines by about a two-to-one majority. The Metals and Minerals Index put on 37.0 to 1,980.4, Golds 13.8 to 3,586.0 and Oils and Gas 32.2 to 3,218.9.

Redpath Industries, up $¼ to $28½, was halted briefly for news it agred to acquire Donlee Manufacturing for about $44m in a move toward diversification.

Transcanada Pipelines improved $½ to $19—it is one of six companies involved in a $1.3bn natural gas export deal announced by Ottawa Thursday.

TOKYO

Sharply higher in active trading triggered by expectations of a cut in the U.S. discount rate.

The Nikkei Dow Jones average recouped most of Thursday's loss by rising 80.39 to 11,249.95, just below the record high finish of 11,252.98 set last Wednesday.

The possibility of the Fed cutting the U.S. discount rate prompted speculation about a cut in Japan's Discount rate, now 5 per cent, one dealer said. A Japanese rate cut looks almost certain, he said, though the timing was not clear.

Another dealer said the Japanese Central Bank will not actually lower its Discount rate until after its Governor, Haruo Maekawa, retires in mid-December.

The Tokyo SE Index rose 5.14 to 860.45 and turnover was an active 410m. (350m) shares.

The Second section of the market ended slightly easier on turnover of 13m (same) shares.

Despite yesterday's sharp recovery, dealers said share prices on most fronts firmed, except the banking sector.

Steels, Heavy Industries, Foods, bio-Chemicals and Electronics were mostly higher.

Utilities also gained ground.

The stock market will be closed today, a national holiday.

AUSTRALIA

Share markets closed strong in active trading as investors responded to positive signals from overseas.

The All Ordinaries Index was 11.7 higher at 768.2, the All Industrials 13.7 at a record 1,118.7 and the All Resources 9.9 at 493.9. Rises outnumbered falls by almost three-to-one.

Strength came on overnight gains on Wall Street, improved performance by local Mining stocks on the London market, U.S. dollar weakness offshore, dearer bullion in New York and Hong Kong plus a sharp rise in many Base Metal prices in London.

Junior partners in the Challis One Well were mixed with **Weeks Australia** up 3 cents to 81 cents but **Ampol Exploration** were down 10 cents at A$2.70, despite a stabilised flow of 4,700 barrels of oil reported Thursday by **BHP**.

Banks maintained recent strength in active trading ahead of annual results, with **National Australia** up 13 cents at A$3.60 and **Westpac** 7 cents at A$4.05.

Fairfax jumped 50 cents to A$6.50, while **IEL** advanced 46 cents to A$6.90.

AUC came back 10 cents to A$4.50—Morgan Guaranty raised its offer to A$4.40 a share from A$4.10.

FAI dipped 20 cents to A$9.00, after recent strong gains following keen buying by London investors.

HONG KONG

Steady, but off the day's highs due to some position-squaring selling ahead of the weekend.

Some Brokers attributed the selling to a feeling that local interest rates will be left unchanged at today's regular meeting of the Hong Kong Association of Banks.

The Hang Seng Index finished 5.97 higher at 1,035.29.

Brokers said sentiment was mixed about the short-term trend for the market, noting the conflicting factors of a spate of bearish news from local companies and a trend towards lower interest rates here and in the U.S.

JOHANNESBURG

The Gold and Mining Financial sectors rallied in response to the sharp rise in the bullion price to over $340 an ounce toward the London afternoon fixing.

Dealers said both Foreign and Local buying interest was stimulated by the steadily climbing Gold price throughout Friday's session.

Industrials were steady, with a firmer bias, in continued lacklustre trading.

SINGAPORE

Mixed on speculative buying and some liquidation in selective quiet trading.

The Straits Times Industrial Index gained 2.33 to 836.43 and the S.E. Industrial/Commercial Index rose 0.56 to 588.78. Turnover 8.8m (8.1m) shares.

SWITZERLAND

Domestic stock prices closed higher across the board as the dollar's sharp fall encouraged investors.

Thursday's fresh upswing on Wall Street and growing hopes of lower Domestic and Foreign interest rates also aided sentiment. Issues sensitive to interest rate changes such as Banks and Insurers met strong demand.

Saurer gained Frs 6 to 211 on further consideration of its interim report.

Swiss Bonds were also mostly higher as the firm trend on U.S. credit markets and the lower dollar underpinned the market.

Dollar stocks fluctuated widely in line with the dollar movements. Other Foreign shares were mostly firmer.

MILAN

Selectively firmer in quiet trading, after Thursday's All Saints' Day holiday.

Bonds were also selectively firmer in moderately active trading.

CANADA

Stock	Nov. 1	Oct. 31
AMCA Intl.	19 1/4	19 1/2
Abitibi	28 1/4	28 1/2
Agnico Eagle	14 1/4	14 5/8
Alberta Energy	20 1/2	20 1/2
Alcan Aluminium	37 1/2	36 7/8
Algoma Steel	20 1/2	20 1/4
Argen Inc	20 1/4	20 1/4
Bank Montreal	23 1/2	23 5/8
Bank Nova Scotia	12 1/2	12 1/4
BCE	33 5/8	33 1/2
Bombardier	16 1/4	16 1/4
Bow Vally	18 1/2	18 1/2
BP Canada Res.	27 1/2	27 1/4
Brascan A	30 7/8	31 1/4
Brinco	2.25	2.25
B.C Forest	9 1/2	9 1/2
CIL Inc	25 5/8	25 1/4
Cad n cFairview	15 7/8	16
Cambell Red Lk.	29 1/4	28 3/4
Can. Cement Pt.	13 5/8	13 3/4
Can. NW Energy	26 3/4	27 1/4
Can. Packers	25 1/4	25 1/4
Can. Trustco	27 5/8	27 3/4
Can. Imp. Bank	26 1/4	26 7/8
Can. Pacific	46 7/8	46 1/2
Can. Pac. Ents.	23	22 7/8
Can. Tire C.	9 5/8	9 3/4
Canfor	10 1/4	10 5/8
Carling O'Kfe	15 3/4	15 5/8
Chieftain	13 1/4	13
Cominco	13 7/8	14
Conigas Mines	5 3/8	6
Cons. Bathst. A	15 1/2	15 1/2
Copper Lake	0.95	0.95
Costain	8 1/2	8 1/2
Denison Mines A	16 7/8	17 5/8
Dofasco	24	23 3/4
Dome Mines	12	12
Dome Petroleum	2.45	2.4
Domtar	33 7/8	34
Falconbridge	80 1/4	79 1/2
Genstar	25 1/2	25 1/2
Giant Y'knife	15 1/8	16
Gt. West Life	3.30	3.30
Gulf Canada	17	17
Hawker Sid.Can.	18 5/8	18 3/4
Hudson's Bay	19 7/8	20 1/4
Husky Oil	12 3/8	12 1/4
Imasco	42 3/4	42 5/8
Imperial Oil A	42 3/8	42 1/2
Inco	13 1/8	13 1/4
Indal	11 1/8	11 1/4
Int. Pipe	31 1/8	31 5/8
Lac Minerals	28 5/8	29 1/4
Loblaw	18	18 1/8
Macmil. Bloedel	35	35 1/8
Marks & Spencer	7 1/8	7 7/8
MasseyFerguson	3.75	3.60
McIntyre Mines	34	34
Mitel Corpn	8 3/4	8 5/8
Molson A	15 7/8	16
Moore Corp	55 1/8	55 1/4
Nat. Sea Prods A	6	6.00
Noranda Inc	18 5/8	18 3/8
Norcen Energy	17 3/4	17 7/8
Nth. Telecom	50 3/8	50 1/4
Nova Alberta	7 1/2	7 3/4
Numac Oil	15 7/8	16 1/8
Oakwood Pet.	5	5 1/8
Pan Can Pet	28 7/8	29
Patino	4.00	4.00
Placer Dev	23 5/8	25 1/8
Power Corp	23 7/8	24
QuebecSturgeon	5 1/4	5 3/8
Ranger Oil	7 3/4	7 7/8
Reed Stenhs	13 1/8	13 1/8
Rio Algom	20 1/4	19 7/8
Royal Bank A	28 3/8	28 3/8
Royal Trust A	33	32 3/4
Sceptre Res	6 1/4	6 1/4
Seagram	48 3/4	48 5/8
Sears Can. Inc.	7 1/2	7 1/8
Shell Canada Oil	23 1/2	23 5/8
Stelco	21 3/8	21 1/4
Teck B	10 1/2	11
Texaco Canada	36 1/2	36 3/8
Thomson New	46	46 1/2
Toronto Dom. Bk	16 7/8	16 7/8
TranstaltaA	22 1/8	22 5/8
Trans. Can. Pipe.	18 3/8	18
Walker Hiram	24 1/4	24 5/8
Westcoast Tra.	15 1/4	15 1/8
Weston (Geo.)	71	72

AUSTRIA

Nov. 2	Price Schs	+ or —
Creditanstalt	216	—2
Goesser	329	...
Interunfall	388	...
Laenderbank	215	...
Perlmooser	352	...
Steyr-Daimler	149	—2
Veitscher Mag.	244	...

GERMANY

NORWAY

AUSTRALIA (continued)

JAPAN (continued)

BELGIUM/LUXEMBOURG

SPAIN

HONG KONG

DENMARK

ITALY

SWEDEN

SWITZERLAND

FRANCE

NETHERLANDS

AUSTRALIA

JAPAN

SINGAPORE

SOUTH AFRICA

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

TORONTO

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar soft

The dollar continued its recent weaker trend in currency markets yesterday, spurred on by the prospect on lower U.S. interest rates. Thursday's U.S. money supply figures showed a sharper fall than expected and this followed on the heels of recent comments made by Treasury officials suggesting that the current small growth in money supply could warrant a further reduction in interest rates.

Inevitably the dollar finished above its worst levels, especially with some short-covering ahead of the weekend. The temptation to run short on dollars appeared to be growing, however, although there was little prospect of any sustained trend before next week's U.S. Presidential election. The dollar touched a low of DM 2.9250 against the dollar before recovering to close at DM 2.9460, its lowest closing level since early September and down from Thursday's finish of DM 2.9900. Against the Swiss franc it slipped to SwFr 2.4255 from SwFr 2.4600 and Y241.85 from Y244.35. It was also weaker against the French franc at FFr 9.0550 compared with FFr 9.1800. On Bank of England figures, its trade weighted index fell from 140.5 to 136.6, its worst level since September 5

Sterling's 0.7 improvement on its exchange rate index to 75.7 was principally a reflection of its improvement against a weaker dollar. It rose to $1.2515 at the close, a rise of 1.65 from Thursday and 3½ per cent up on Monday's closing value.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Nov 2	Previous
8.30 am	—	—
9.00 am	75.4	74.5
10.00 am	75.4	74.9
11.00 am	75.7	74.8
Noon	75.7	74.9
1.00 pm	75.7	74.9
2.00 pm	75.7	74.9
3.00 pm	75.7	75.0
4.00 pm	75.7	75.0

New York rates

	November 2	Prev. close
£ Spot	$1.2410-1.2425	$1.2405-2420
1 month	0.09-0.07 pm	0.09-0.08 pm
3 months	0.08-0.05 pm	0.011-0.08 pm
12 months	0.55-0.65 dis	0.53-0.63 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2415-1.2555	1.2510-1.2520	0.08-0.05c pm	0.62	0.07-0.02 pm	0.14
Canada	1.6280-1.6460	1.6440-1.6450	0.19-0.26c dis	−1.64	0.57-0.70dis	−1.66
Nethlnd.	4.1450-4.1700	4.1450-4.1550	1¾-1½c pm	4.69	4½-4¼ pm	4.21
Belgium	74.30-74.60	74.50-74.60	3c pm-3 dis	par	8-17 dis	0.67
Denmark	13.360-13.413	13.412-13.413	par-1¼ore dis	−0.55	3¾-4½ dis	−1.15
Ireland	1.1955-1.1996	1.1983-1.1993	0.19-0.36c dis	−1.66	0.73-0.98dis	−2.88
W. Ger.	3.6795-3.7000	3.6795-3.6805	1⅝-1½pf pm	4.89	4⅛-3¾ pm	4.21
Portugal	198.30-202.75	199.00-201.65	170-495c dis	−19.66	475-1400dis	−18.61
Spain	207.00-208.00	207.50-207.70	50-80pst dis	−3.75	140-200 dis	−1.63
Italy	2289-2306	2293¼-2295¼	8-11 lire dis	−4.96	28-32 dis	−5.23
Norway	10.75-10.79¾	10.78¾-10.79¾	2-3ore dis	−2.77	7½-8 dis	−2.82
France	11.30½-11.35¾	11.32½-11.33½	¼c pm-¼ dis	par	1¼-2½ dis	−0.75
Sweden	10.58-10.64¾	10.63¾-10.64¾	1½-2¼ore dis	−2.11	4¾-5½ dis	−1.96
Japan	301½-303½	301½-302½	1¼-1y pm	4.47	3-2¾ pm	3.80
Austria	25.85-25.98	25.91-25.96	8⅛-7gro pm	3.52	18⅞-25½ pm	3.43
Switz	3.0200-3.0323	3.0200-3.0300	1½-1¼c pm	5.45	4-3¾c pm	5.12

Belgian rate is for convertible francs. Financial franc 75.05-75.15. Six-month forward dollar 0.07-0.12c dis. 12-month 0.55-0.70.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2415-1.2555	1.2510-1.2520	0.08-0.05	0.62	0.07-0.02	0.14
Ireland†	1.0440-1.0475	1.0455-1.0465	0.35-0.25c pm	3.44	0.85-0.70 pm	2.96
Canada	1.3100-1.3270	1.3117-1.3127	0.23-0.26c dis	−2.33	0.53-0.58dis	−1.59
Nethlnd.	3.3000-3.3475	3.3215-3.3225	1.08-1.05c pm	5.95	3.24-3.21 pm	3.87
Belgium	59.35-61.09	59.40-59.50	3.5-5c dis	−0.83	5-8 dis	−0.42
Denmark	10.67-10.67	10.69¼-10.69¾	0.70-1.20ore dis	−1.06	2.75-3.25dis	−1.12
W. Ger.	2.9250-2.9725	2.9455-2.9465	1.03-0.98c pm	4.27	3.00-2.95 pm	4.03

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 59.90-60.10.

OTHER CURRENCIES

Nov. 2	£	$		£ Note Rates
Argentina Peso	151.48-151.78	120.98-121.08	Austria	25.80-26.10
Australia Dollar	1.4595-1.4615	1.1642-1.1649	Belgium	74.80-75.60
Brazil Cruzeiro	3,287.77-3,285.88	2,609.0-2,622.0	Denmark	13.28-13.42
Finland Markka	7.7310-7.7748	6.1900-6.1950	France	11.27-11.39
Greek Drachma	152.950-153.679	121.70-122.50	Germany	3.67-3.71

* Selling rate.

EXCHANGE CROSS RATES

MONEY MARKETS

Further fall

Interest rates continued their recent decline in London yesterday amid hopes of an early reduction in UK clearing bank base rates. The softer trend was accelerated by a fall in U.S. interest rates and sterling's better performance in currency markets. The likelehood of a fall in base rates now appears primarily dependent on next week's UK money supply figures. A favourable outcome could see a very quick reduction in interest rates.

Yesterday three-month interbank money fell to $10\frac{3}{16}$-$10\frac{1}{16}$ per cent from 10⅜-10¼ per cent while three-month eligible bank bills were bid at $9\frac{31}{32}$-9⅞ per cent compared with $9\frac{15}{16}$ per cent. Weekend interbank money opened at 10⅜-10¼ per cent and traded between 10½ per cent and 10¾ per cent for most of the morning before rising to 11 per cent on the small early assistance. It slipped back to 10¾ per cent but then touched a high of 11¼ per cent before late intervention by the Bank of England saw closing balances fall away to 1 per cent.

The Bank forecast a shortage of around £450m, with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £315m and a rise in the note circulation of £235m. In addition banks brought forward balances £20m below target. On the other hand Exchequer transactions added £130m.

The bank gave assistance in the morning of £55m which comprised sale and repurchase agreements at 10½ per cent, unwinding on November 16. The forecast was later revised to a shortage of around £500m before taking into account the early help and the Bank gave additional help in the afternoon of £222m. This comprised purchases of £17m of eligible bank bills in band 1 (up to 14 days) at 10½ per cent and £5m in band 2 (15-33 days) at 10⅜ per cent. It also arranged sale and repurchase agreements on £200m of bills at 10½ per cent, unwinding on November 16. It also provided late assistance of £235m, making a total of £512m.

UK clearing banks' base lending rate 10½ per cent (since August 20)

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Nov. 2 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	1-11½	10⅝	7-10⅛	10-10¾	—	—	—	—	—
2 days notice	—	—	10½-10⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10⅝-10¾	10½-10⅝	10¾-10⅞	10½-10¾	—	—	—	—	—
One month	$10\frac{7}{16}$-10⅜	10⅜-10⅝	10¼	10⅝-10⅞	10¼	10⅛	10	10	10	10[illegible]
Two months	10¼-$10\frac{1}{8}$	10¼-10⅛	10¼	10½	10	9[illegible]	9[illegible]	9[illegible]	9[illegible]	10[illegible]
Three months	$10\frac{1}{16}$-$10\frac{1}{16}$	$10\frac{3}{16}$-$10\frac{1}{16}$	10⅛	10½	9¾-9⅞	9⅝-$9\frac{31}{32}$	9½-9[illegible]	9[illegible]	9[illegible]	10[illegible]
Six months	$10\frac{1}{16}$-$9\frac{15}{16}$	$10\frac{3}{16}$-10⅛	10⅛	—	—	—	—	$9\frac{11}{16}$-9⅝	9½-9[illegible]	10[illegible]
Nine months	10-$9\frac{15}{16}$	$10\frac{3}{16}$-$10\frac{1}{16}$	—	—	—	—	—	—	—	—
One year	10-$9\frac{29}{32}$	$10\frac{3}{16}$-$10\frac{1}{16}$	10⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10⅞-10⅝	—	10⅝	9.6-9.7	8[illegible]-8[illegible]	9½-9⅝
Two months	10¾-10⅝	—	10⅝	9.65-9.75	8⅝-8⅞	9[illegible]-9[illegible]
Three months	10¾-10⅝	—	10[illegible]	9.75-9.85	8[illegible]-8[illegible]	9[illegible]-9[illegible]
Six months	10⅝-10¼	—	10[illegible]	10.0-10.1	8[illegible] 8	9¾-9⅞
Nine months	10½-10¼	—	10⅝	10.0-10.2	—	—
One year	10½-10¼	—	10⅝	10.25-10.45	9¼-9½	10[illegible]-10[illegible]
Two years	—	11	—	—	—	—
Three years	—	11⅛	—	—	—	—
Four years	—	11¼	—	—	—	—
Five years	—	11⅜	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period September 5 to October 2 1984 (inclusive): 10.904 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association). 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.5639 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10¾ per cent; one-three months 10¾ per cent; three-six months 10¾ per cent; six-nine months 10¾ per cent; nine-12 months 10¾ per cent. Under £100,000 10¾ per cent from October 29. Deposits held under Series 5 10½ per cent. The rates for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 2)

3 months U.S. dollars	
bid 9 15/16	offer 9 15/16
6 months U.S. dollars	
bid 10	offer 10 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10½-10¾	10⅛-10½	11¾-12¼	5⅝-5¾	1⅛-1⅝	5½-5⅝	10⅝-10¾	15-16	10¼-11	10¾-11	6[illegible]	11[illegible]
7 days' notice	$10\frac{7}{16}$-$10\frac{5}{16}$	$9\frac{13}{16}$-$9\frac{15}{16}$	11⅝-12	5¾-5⅝	1¾-2	5½-5⅝	10½-10⅝	15¼-16¼	10¼-11	10¾-11	6[illegible]	11-11[illegible]
Month	10¼-10⅝	$9\frac{13}{16}$-$9\frac{15}{16}$	$11\frac{7}{16}$-11¾	5¾-5⅞	4[illegible]-4[illegible]	5[illegible]-5[illegible]	10⅜-10⅛	15⅝-15⅞	10¼-11	10¾-11	6[illegible]	11[illegible]
Three months	10[illegible]-10[illegible]	9⅞-10	$11\frac{7}{16}$-11⅝	5[illegible]-6[illegible]	4[illegible]-5[illegible]	5[illegible]-5[illegible]	10⅞-11	15½-16	10¼-11	10¾-11	6[illegible]	11[illegible]
Six months	10⅛-10¼	10[illegible]-10[illegible]	11½-$11\frac{11}{16}$	6[illegible]-5[illegible]	4[illegible]-5[illegible]	5¾-5⅞	11⅛-11¼	15⅝-16	10¼-11	10¾-11	6[illegible]	11[illegible]-12[illegible]
One year	10¼-10⅜	10⅝-10¾	11½-$11\frac{11}{16}$	6[illegible]-6[illegible]	4⅞-5	5[illegible]-6[illegible]	11[illegible]-12[illegible]	15½-16	10[illegible]-10[illegible]	10[illegible]-11⅛	6[illegible]-6[illegible]	11⅝-12[illegible]

Asian $ (closing rates in Singapore): Short-term 9[illegible]-10[illegible] per cent; seven days 9¾-9⅞ per cent; one month 9⅝-9¾ per cent; three months 9[illegible]-9[illegible] per cent; six months 9[illegible]-10[illegible] per cent; one year 10[illegible]-10[illegible] per cent. Long-term Eurodollars: two years 11½-11⅝ per cent; three years 12-12[illegible] per cent; four years 12⅛-12[illegible] per cent; five years 12¼-12½ per cent nominal rates. Short-term rates are call for U.S.-U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Sterling's strength depresses prices

BY OUR COMMODITIES STAFF

STERLING'S firmness led to a general decline in base metals prices on the London Metal Exchange yesterday.

Copper showed the biggest fall with cash high grade metal ending £12.75 down on the day. But this was still £14 up on the week thanks to an earlier upsurge prompted by the breaching of chart resistance points on the New York market. The resulting wave of speculative buying pushed the price to a 14½-month high at one stage.

Dealers said yesterday's sharp fall partly reflected fears that the preceding rise had left the market over-extended.

The aluminium market was again very active. A reaction against last week's £77 advance took the cash LME quotation £34 lower in the first three days of this week, with a 3,500 tonnes rise in LME warehouse stocks last week providing further downward pressure.

The market bounced up again on Thursday with the cash position gaining £27.50 but the weaker tone was resumed yesterday and the price ended at £916.50 a tonne, down £13.50 on the day and £20 on the week.

This week's fall came in spite of news of further producer output cuts. Reynolds Metals of the U.S. said it was cutting annual production by 25,000 tonnes and two Norwegian producers announced cuts totalling nearly 30,000 tonnes.

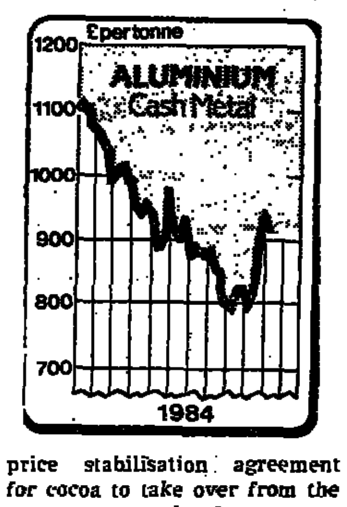
The soft (non-metal) commodities markets were also heavily influenced by sterling's rise against the dollar and sharp falls for coffee and cocoa wiped out earlier modest gains.

November delivery coffee futures lost £57 to £2,279 a tonne for a fall on the week of £51.50. Dealers said this also reflected an easing in concern about availability for prompt delivery following an increase in gradings this week.

December delivery cocoa fell back £55.50 yesterday to £1,913 a tonne, down £38.50 on the week.

Sentiment was not helped by the failure of the negotiating conference in Geneva to make significant progress towards agreeing a new international price stabilisation agreement for cocoa to take over from the current accord from next September.

When the meeting wound up there was still a wide gap between producer and consumer positions.



BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1092.5, 92, three months £1118, 17.5, 18, 19, 19.5, 20, 19.5, 19, 18.5, 18. Cathodes: Cash £1100, three months £1120. Kerb: Higher Grade: Three months £1118, 17, 16, 15.5, 16, 17, 16, 16.5, 17. Afternoon: Higher Grade: Three months £1117, 16.5, 17, 16. Kerb: Higher Grade: Three months £1116, 15, 14, 13.5, 14, 13, 12, 11.5, 12. Turnover: 38,750 tonnes. U.S. Producers: 52.00-66.00 cents per pound.

ALUMINIUM

Aluminium—Morning: Three months £948, 47, 46, 45, 45.5, 50, 51, 50, 49, 48, 46, 45.5, 45, 44, 44.5, 45, 45.5. Kerb: Three months £946, 45.5, 45, 46. Afternoon: Three months £945, 45.5, 46, 46.5, 46, 45.5, 45, 44, 44.5, 44, 42, 41, 42. Kerb: Three months £941, 40, 39, 38, 37, 36, 37, 38, 39, 40, 41, 43, 42.5, 42, 41, 38, 36, 35. Turnover: 17,600 tonnes.

COFFEE

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov.	2465-70	−23.0	2485-49
January	2278-80	−57.0	2314-77
March	2191-93	−54.0	2237-86
May	2175-78	−49.5	2211-75
July	2168-69	−46.5	2198-69
Sept.	2165-	−39.5	2193-68
Nov	2160-65	−38.5	2186-65

LONDON OIL

SPOT PRICES

	Latest	Change + or −
North Sea (Brent)	28.15-28.35	+0.33
African(BonnyLi'ht)	28.05	+0.20
Urals	28.00-28.06	+0.05

PRODUCTS—North West Europe "cif" ($ per tonne)

Premium gasoline	250-254	−0.5
Gas Oil	235-240	+3
Heavy fuel oil	178-180	−2

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
Feb	236.50	+3.00	236.50-35.25
March	231.25	+2.00	231.25-31.00
April	228.50	+1.25	228.75-28.75
May	228.75	+0.75	228.75-28.75
June	227.00	—	—
July	225.50	—	—

Turnover: 2,287 (2,466) lots of 100 tonnes.

GOLD MARKETS

Gold rose $6¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $342¼-342¾. The metal opened at $336¾-337¼ and traded between a high of $344-344½ and a low of $336¾-337¼. Early demand was continued in the afternoon to push gold through $340. However, its ability to sustain this level appears to depend mostly on the dollar's performance.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Nov.	—	—	—
Dec	344.50-44.70	+7.70	346.00-39.00
Feb.	—	—	—
April	—	—	—
June	358.00	—	358.00
Aug	—	—	—

Turnover: 242 (151) lots of 100 troy ounces.

Gold Bullion (fine ounce) — Nov. 2 / Nov. 1

AMERICAN MARKETS

NEW YORK, November 2

Precious metals were very strong trading off currencies with further gains during the day on new technical buying, reports Heinold Commodities. Copper prices were sharply higher on arbitrage trading against sterling; the interest on the long side was predominantly technical rather than fundamental. Aluminium was moderately higher following the bullishness dominating other metal markets. Sugar recovered for small gains as a major dealer reported that the Soviet beet crop continued to be vulnerable to further losses because of harvest delays and current cold temperatures. Cotton collapsed on favourable weather forecasts indicating drying conditions for the next several days. Cocoa was basically unchanged as concerns about a tight spot condition appeared to subside. Coffee was moderately lower in response to tenders on the London exchange which effectively discouraged any serious probing of the long side. Heating oil was lower as one large refiner posted cuts for crude oil purchasers in the spot market.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	751.8	—	—	737.2
Dec	757.0	762.0	751.0	742.5

CHICAGO

MARKET REPORT

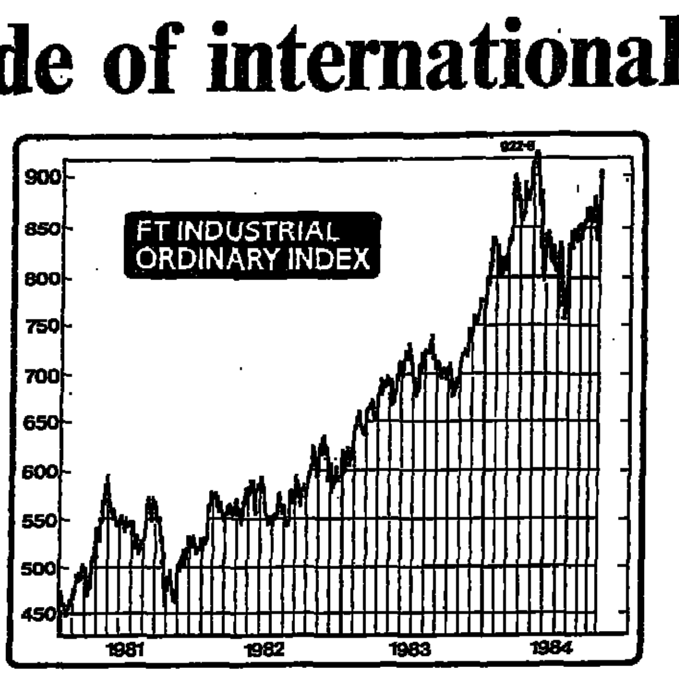
Equity indices at all-time peaks and Gilts up £2 on tide of international interest rate optimism

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 15	Oct 25	Oct 26	Nov 5
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 9

* "New-time" dealings may take place from 9.30 am two business days earlier.



A tide of interest rate optimism swept industrial shares to record levels in London yesterday. The FT-Actuaries All-Share and the FT-SE 100 share indices achieved all-time peaks, while the long-established FT Industrial Ordinary share index surged through the 900 again for the first time in six months to close 10.7 up at 907.8. Government stocks responded with equal fervour to the prospect of cheaper money. Turnover increased noticeably as overseas buyers competed with domestic investors to buy stocks and gains stretched to two points among longer-dated Gilts.

Growing U.S. convictions that the trend to lower Prime lending rates will continue initiated the London upsurge, but there was little doubt that the driving force of the movement was increasing optimism over UK base rates. Investors were hoping that the clearing banks would cut their rates by one percentage point either before or after the announcement on Tuesday of the October money aggregates and banking statistics.

The weaker dollar and sterling's consequent improvement encouraged foreign investment in the Gilt-edged market. Easier money market rates were an incentive to UK investors and in the early afternoon trade price rises exceeded two points. Profit-taking ahead of the inevitable news of more Government funding pared gains and shortly after 3.30 pm the authorities announced a new tap stock issue: £1bn of the existing Exchequer 9¾ per cent 1998 stock, designated A, is to be issued, payable £20 on application at a minimum tender price of £93.50.

When dealings resumed after the customary recess, all Gilts held their ground and the ultra-long Exchequer 12 per cent 2013-2017 closed 2¼ up at 124¾. The shorts and index-linked stocks showed rises extending to ¾; the authorities supplied Treasury 2½ per cent index-linked 2016 at 95¾ and then withdrew.

Equities opened buoyantly but buyers refused to chase values higher and most leading stoc[ks] soon came away from the highe[st]. A period of consolidation followed and later in the session blue chip industrial began edging forward again.

Afternoon business was enlivened by yet another twist in the long-running House of Fraser saga. Lonrho surprisingly announced the sale of its 29.9 per cent stake in the store group to Arab interests at 300p a share. House of Fraser rose swiftly to 320p, but subsequent news that Alfayed Investment and Trust had bought the stake for a long-term investment brought House of Fraser back sharply to 286p for a net gain of only 10. Lonrho settled 9 higher at 170p, after 173p; only last Wednesday the Department of Trade and Industry extended the Monopolies Commission's probe into a possible merger of HOF and Lonrho until February 28.

Banks subdued

The major clearing banks were marked higher initially, but slipped back in the absence of interest and closed with small mixed movements.

Dull at the outset following news of a slump in regular life premium business caused by the ending of tax relief benefits in this year's Budget, Life Insurance issues steadied after-hours and closing falls were generally modest. Legal and General settled 4 cheaper at 476p, after 473p, while Prudential finished 5 off at 465p, after 462p. Composites were generally firm. GRE rose 10 to 635p, while Royals... brokers, Dewey Warren attracted support and gained 11 to 171p, while Derek Bryant continued to reflect news that Prudential had acquired a near 7 per cent stake and rose 10 more to 313p.

Among recently-issued equities, Media Technology attracted fresh support and gained 9 to 134p.

Leading Breweries finished the first leg of the Account in buoyant mood, investors being encouraged by brokers' favourable views on the sector ahead of the pending dividend season. Whitbread rose 7 for a five-day advance of 18 to 202p. Bass also firmed 7 to 435, while Arthur Guinness improved 4 more to 171p. Scottish and Newcastle touched 127½p before settling a net fraction lower at 125½p on confirmation that the company is negotiating the sale of the Royal Scot hotel in London to Mount Charlotte Investments; the latter were ½ off at 65p.

Contracting and Construction issues made good progress on cheaper money hopes. Costain, additionally buoyed by a "chart buy" signal rose 16 to a 1984 peak of 324p. Milbury attracted speculative support and put on 6 to 92p. Elsewhere, buying in a market short of stock lifted BPB Industries 13 to 283p; the interim results are due at the end of the month. Timber issues also went with Meyer International rising 6 for a two-day gain of 11 to 141p and Magnet and Southerns firming 6 more to 134p; the latter has acquired Hyphen Fitted Furni[ture] ... buying and settled 10 higher at the day's best of 690p, just a couple of pence off its 1984 peak. Laporte remained a firm counter and gained 9 more to 360p; the group announced a small acquisition on Thursday. Coates Brothers issues continued to respond to the good interim results, the ordinary rising another 14 to 126p and the A 17 more to 118p.

Mail-orders buoyant

Activity among major Retailers was understandably centred on the House of Fraser/Lonrho situation, but other Store leaders continued the recent upturn. Burton rose 5 more to 357p, while Gussies A closed 8 better at 635p. Dealers reported persistent and often sizeable demand for secondary issues. Harris Queensway advanced 8 to 192p, while MFI improved 7 to 203p, and Home Charm 12 at 212p. Dixons rose 4 to 335p, after 338p following the response to Curry's defence document; Currys added 6 at 430p. Publicity given to an investment seminar stimulated demand for Mail-order houses; Grattan featured with a gain of 10 to 126p, while Freemans advanced 6 to 134p.

Buyers returned for Footwear counters. Strong and Fisher spurted 12 to 165p, while press comment lifted Garnar Booth 7 to 163p.

Interest tended to fade in Thorn EMI after mid-week speculation of a U.S. bid or demerger possibilities; from an opening level of 491p, the shares drifted back to close 2 cheaper on balance at 480p, but still 52 up on the week. Other leading Electricals made progress, Racal rising 8 to 268p and BICC a like amount to 238p. Elsewhere Brikat responded further to the better-than-expected preliminary results, closing 7 up at 190p. Depressed on Thursday following talk of a broker's bearish circular, Cable and Wireless rallied 12 to 340p, while USM-quoted Applied Holographics featured a rise of 15 at 190p.

Leading Engineers were a relative backwater, but selective demand was forthcoming for secondary issues. Comment on the preliminary figures prompted fresh firmness in Martonair, up 12 more for a two-day gain of 30 to 280p. Babcock came to life with a rise of 7 to 140p and similar improvements were recorded in Desoutter 127p and Laird Group, 133p. C. H. Bailey, ... on Thursday following a ... of heavy selling, rallied 2 to 25p following the announcement that North East Essex Building had increased its holding in the company.

Associated Dairies, dull recently owing to the chairman's warning about current trading, rallied 8 to 186p. Among other Food Retailers, J. Sainsbury continued to attract support ahead of next Tuesday's interim results and firmed 4 more to 308p.

Demand for the miscellaneous industrial leaders was selective. BTR were well to the fore and advanced a further 15 to 525p, while BOC Group gained 7 more to 266p on further consideration of the sale of its U.S. arc welding interests. Fresh support ahead of the interim figures, expected later this month, left Meal Box 14 higher at 364p. Bowater were a relatively active market and touched 184p before settling 3 firmer on the day at 178p. Reed International, which announced interim figures earlier in the week, put on 12 to 482p. Among secondary issues, Henry Boot, reflecting comment on the interim figures, improved 5 more for a two-day gain of 23 to 298p. Polly Peck, 222p, and Cornell, 240p, rose 8 apiece. De La Rue rose 10 to a new peak for the year of 740p.

The Leisure sector displayed several noteworthy movements. Samuelson Group met with support in a restricted market and rose 60 to 730p, while renewed demand lifted Miss World 20 to a 1984 peak of 210p.

A generally uninspiring session in Motors was enlivened by impressive interim results from Flight Refuelling which touched 299p before drifting back to finish only 2 dearer on balance at 287p. Jaguar fluctuated as investors weighed up the current labour dispute; up to 217p initially, the shares eased to close a net 3 off at 212p.

Publishers made progress across a broad front. Fleet were particularly lively and touched a new peak of 207p before settling 12 up on balance at 201p on speculation that Lonrho could launch a takeover bid following the sale of its stake in House of Fraser. Persistent demand for Associated Newspapers again found dealers short of stock and the shares advanced 10 for a two-day gain of 43 at 438p. East Midland Allied Press also met support and rose 7 to 90p with the more widely-traded "A" shares rising 6 to 94p. Elsewhere, Sir Joseph Causton firmed a couple of pence to 76p following the increased interim profits and dividend, while Delyn Packaging, due to announce first-half figures next Monday, rose 5 to 150p.

Among Properties, MEPC firmed 4 to 324p, but Land Securities, after touching 311p, drifted back to close unchanged at 309p; the latter's interim results are due on November 13. British Land attracted support and firmed 2½ to 140½p, while Haslemere Estates edged up 4 to 506p. Elsewhere, Estates and Agency added 3 to 133p following higher interim profits, while revived demand in a restricted market lifted Ewart New Northern 25 to 240p.

Oils quiet

A relatively neutral week in the leading Oils closed with a handful of issues edging higher in quiet trading. The recently agreed production cutbacks by Opec producers faded quietly into the background and the market now awaits the next Opec meeting, on December 19, which will discuss differentials between light and heavy grade crude oils. Among the leaders, BP were well supported and moved up 5 to 483p while Britoil and Enterprise Oil added 3 apiece at 228p and 190p respectively.

Carless Capel rose to 198p. Irish issues remained highly volatile. Atlantic Resources gyrated between 58p and 64p before settling unchanged at the former price amid persistent talk of a dry well in the Celtic Sea. Tuskar Resources encountered substantial selling pressure throughout the session and dropped 12 to a year's low of 42p. Elsewhere, L. Texas Petroleum were suspended at 13p at the company's request pending a statement.

Dealings in Kuala Lumpur Kepong, suspended at 87p on Wednesday, are expected to resume on Monday following the announcement that the company is to sell its 26.23 per cent stake in Highlands and Lowlands to Kumpulan Guthrie Sendirian; the latter, via its parent Permodalan Nasional, will consequently control over 50 per cent of Highlands and intends to offer M$2.70 per share for the outstanding equity. Highlands eased a couple of pence to 90p.

Golds rally

South African sectors of mining markets gained ground for the first time in seven trading sessions as bullion responded to the weaker dollar following widespread speculation of imminent cuts in transatlantic interest rates.

Bullion improved throughout the session and closed a net $6.75 firmer at $342.5 an ounce.

The continued closure of a number of influential Continental dealing centres for the All Saints holiday stifled buying interest but sufficient demand was forthcoming from other Continental sources, mainly Switzerland. It produced widespread gains in Golds and a 10.7 jump to 504.2 in the Gold Mines index, leaving the measure only 15 points lower over the week. The substantial weakness in the South African Rand widely evident earlier in the week was largely reversed and South African buying interest gave added impetus to the recovery in share prices.

South African Financials attracted persistent support with De Beers especially favoured and finally 10 to the good at 375p.

The upsurge in domestic equities and more encouraging performance by the bullion price encouraged sustained demand for UK-registered Financials. Rio Tinto-Zinc were well to the fore and settled with a 22 gain at 605p, while Consolidated Gold Fields rose strongly to close 15 higher at 490p.

Australians continued to make progress, buoyed by the confident showing of overnight Sydney and Melbourne markets. Interest was mainly centred on the leading issues, where CRA rose 6 to 362p and Western Mining a similar amount to 219p.

Elsewhere, Geevor Tin jumped 8 to a year's high of 198p on hopes of a full-scale bid from RTZ which on Thursday announced the purchase of Charter's 60 per cent interest in Wheal Crofty Holdings for around £9.5m; RTZ currently holds a 19.6 per cent stake in Geevor.

Traded Options received a shot in the arm via substantial demand for Lonrho positions following the House of Fraser stake sale; 2,857 calls were struck in Lonrho, 1,706 being in the November 160's which rose 5 to 11p. Jaguar were also lively and attracted 498 calls, while an evenly-balanced business developed in Racal with 387 calls and 536 puts struck. A sizeable put business was transacted in ICI positions which attracted 853 trades, the majority done in the April 700's. Total contracts struck amounted to 9,687, while the week's daily average was 6,676.

FINANCIAL TIMES STOCK INDICES

	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 26	Year ago
Government Secs.	82.28	81.36	81.36	81.02	80.76	80.63	82.02
Fixed Interest	84.88	84.35	84.37	84.00	83.85	84.39	85.08
Industrial Ord.	907.8	896.9	888.0	885.1	878.2	873.2	718.3
Gold Mines	504.2	493.5	507.7	510.4	519.2	544.6	484.8
Ord. Div. Yield	4.67	4.72	4.77	4.79	4.83	4.85	4.76
Earnings, Yld.% (full)	11.15	11.27	11.39	11.43	11.52	11.58	9.43
P/E Ratio (net) (*)	10.76	10.65	10.54	10.50	10.42	10.37	13.23
Total bargains (Est.)	19,448	18,725	18,269	18,859	19,476	19,354	19,004
Equity turnover £m.	—	317.53	321.27	252.66	198.40	261.79	222.57
Equity bargains	—	17,833	17,891	17,062	15,720	17,912	16,002
Shares traded (ml)	—	173.8	169.8	145.5	120.6	192.0	130.1

10 am 909.3. 11 am 906.3. Noon 905.9. 1 pm 906.9.
2 pm 906.9. 3 pm 907.8.
Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/9/5. SE Activity 1974.
Latest Index 01-246 8026.
*Nil = 10.33.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	155.4 (28/11/47)	50.03 (3/1/75)
Ind. Ord.	922.8 (3/5)	755.3 (23/7)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (8/6)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 1	Oct. 31
Daily Gilt Edged Bargains	140.4	161.9
Equities Bargains	111.7	115.9
Value	641.6	649.4
5-day Average Gilt Edged Bargains	136.4	134.7
Equities Bargains	111.7	113.6
Value	554.5	563.5

LEADERS AND LAGGARDS

Percentage chages since December 30 1983 based on Thursday November 11 1984

Tobaccos	+48.58	Property	+15.95
Health & Household Products	+34.31	Insurance (Composite)	+15.64
Insurance Brokers	+30.52	Capital Goods	+14.57
Food Retailing	+26.26	Oils	+14.44
Office Equipment	+25.93	Investment Trusts	+14.35
Consumer Group	+22.87	Banks	+11.21
Food Manufacturing	+22.08	Motors	+ 9.71
Mechanical Engineering	+21.67	Other Consumer	+ 9.00
Brewers and Distillers	+21.66	Financial Group	+ 8.79
Other Industrial Materials	+20.94	Building Materials	+ 8.60
Newspapers, Publishing	+20.59	Shipping and Transport	+ 6.67
Electronics	+19.21	Chemicals	+ 5.67
Industrial Group	+19.14	Contracting, Construction	+ 1.32
Overseas Traders	+18.88	Leisure	+ 0.55
500 Share Index	+18.39	Insurance (Life)	+ 0.09
Textiles	+17.14	Mining Finance	− 2.72
Packaging and Paper	+17.09	Metals and Metal Forming	− 5.74
Stores	+16.40	Electricals	− 5.59
Other Groups	+16.35	Gold Mines Index	−14.25
Discount Houses	+16.10	Merchant Banks	−18.33
All-Share Index	+16.07		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 5	Nov 16	Feb 7	Feb 18
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18

For rate indications see end of Share Information Service.

Money was given for the call of Brunswick Oil, North Kalgurli, Stylo, Polly Peck, Allebone, Edward Jones, Astra Industrial, Thorn EMI, Yasmo, Britoil, Hawker Siddeley, Atlantic Resources and Bougainville. Puts were transacted in Polly Peck, Espley Trust, Inter-City, Celtic Haven, Body Shop, Dunlop and Jackson Exploration. No doubles were reported.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

THURSDAY'S ACTIVE STOCKS

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (168)

RISES AND FALLS

ACTIVE STOCKS

5-DAY ACTIVE STOCKS

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. Φ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

C—D

Cadbury Schweppes 3½pc1stPf (£1) 42½. 8¼pc1stDb 1994-2004 £72½. 9pc1stDb 1988-93 £87½ (29/10)
Caledonian Assc Cinemas £12½Φ. 4.9pc Pf (£1) 43 (31/10). 5.25pcPf (£1) 50 (31/10)
Canning (W.) 7½pcLn 1988-93 £68
Carclo Engineering Gp 10½pcPf (£1) 90½
Carlton Inds 9½pcLn 1986-91 £85

Hickson Intnl 8½pcLn 1989-94 £75½ 98½ ½ (29/10) (30/10)
Hoechst AG (DM50) £48
Home Counties Newspapers Hldgs 143
House of Fraser 4½pcPf (£1) 43½ (26/10). 8¼pcLn 1993-99 £77¼ 8
Howard & Wyndham (20p) 4 (30/10). Non.vtg (20p) 2 (29/10). 18pcLn 1976-1991 £93
Hunting Assoc Inds Dfd 175 (29/10)

Reed (Austin) Gp 146 (26/10). 6pcPf (£1) 61 (29/10)
Reed Decorative Products 4pcDb £32½ (29/10)
Reed Intnl 4½pcPf (£1) 35 (26/10). 5½pc Pf (£1) 145 (30/10). 7pcPf (£1) 54 (30/10). 7¼pcDb 1987-92 £78½ (26/10). 7¼pcDb 1990-95 £74¼ (29/10). 5½pc Ln £41¼Φ. 7pcLn 1987-92 £74 (26/10). 7½pcLn £60½ (26/10). 7½pcLn 1996-2001 £68½. 10pcLn 2004-09 £86 ½ 7 ½

Stewart Ent Wts 10 (26/10)
Stock Exchange 7¼pcMtgDb 1990-95 £69¼ (30/10)
United Computer Wts 30

INSURANCE

Commercial Union 5pcPf 1989-2009 (£1) 44½ (26/10)
General Acc Fire 7¼pcLn 1987-92 £79¼. 7¼pcLn 1992-97 £76¼ (30/10)
Guardian Royal 7pcPf (£1) 70 (31/10).

Holden Hydroman (10p) 112 (30/10)
Industrial Scotland Energy (£1) 135
Kenyon Securities 198
Media Technology Intnl New (20p) 121 2 3 4½ 4 ½ 5½ 5 ½ 6 ½ 7
Paul Michael Leisurewear (5p) 28
Petrolex (5p) 58 9 (31/10)
Plasmec New (10p) 76 7 9
Share Drug Stores New (10p) 182 3 4 5 6
Spectra Automotive Eng Products (10p) 51½ ½
Synterials (10p) 37
T S Stores New (5p) 102
Thorpac (5p) 75 8 (31/10)
Tops Estates 7½pcLn 2014 £115 (31/10). 7½pcLn 2014 £14
Trade Promotion Services (10p) 80 1
UDO Hldgs New (10p) 117 8 9 20

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

AOG Minerals 9 (30/10)
Abrolhos Oil and Investment 10½Φ (30/10)
Aetna life and Casualty £30¼Φ 29.45
Albertson's Inc £23¼Φ (30/10)
Alliance Oil Development 65½
Amatil 287
American Electric Power £16¼ (29/10)
American Standard £25¼ (30/10)
Ampol Exploration 192 200 (30/10)
Ampol 119 20 2 (29/10)
Amsterdam-Rotterdam Bank £15¼Φ ½ ¾ ⅞ (30/10)
Apex Oil (A$0.25) 17½Φ 18
Apple Computer £19⅝
Atlas Industries 29½
Aust Foundation 110
Aust National Industries 182 (29/10)
Aust Oil and Gas 82 (30/10)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange.

Air Leisure Prods 32 (29/10)
Airships Inds 5½ 6
Airship Inds (1p) 6 (30/10)
All England Lawn Tennis Gnd £50Db 1986-1981-85 £1,700 50 (31/10)
All England Lawn Tenis Gnd £50Db 1986-1990 (£2875 pd) £4800 50 (30/10)
Allied Entertainments New (£1) 105 10
Anglo-Am Agric 35 ½ (31/10)
Ann Street Brewery (£1) 365 70
Ascot (10p) 14[11/16] 15 (26/10)
Business Mortgages 120 (31/10)
Central ITV (50p) 225 7
Channel Hotels and Props (10p) 26½ ¾ 7 (31/10)
CIC Inv (1p) ¼ ⅜ ½ [illegible]
Ciba-Geigy (Financial Services) 8pcLn 1981-94 £277¼ 8 (26/10)
Clayton Aniline 7¼pcLn 1985-90 £76 ¼ (26/10)
Crusts (10p) 84¾ 5 (26/10)
Dart Valley Light Rlwy (£1) 78 87 (29/10)
De Gruchy (Abraham) (£1) 350 (30/10)
Dolamore New (10p) 26¼ 9/16 (29/10)
Eastbourne Wtwrks (£1) (4.9pcMaxDiv) 42 5
Five Oaks 7½pc1stPf 40 2 (29/10)
Haden 8pcPf (£1) 48½ 9½ (29/10)
Havard Secs (2p) 43 44
Highland Participants 86 ½ 7
ICE (1p) 798 800 (29/10)
Irish Press IR (£1) 105 110 (31/10)
Island Garages (10p) 14 (26/10)
Island Garages 11½pcLn 1986-91 £100 (26/10)
Jennings Bros 158 60 (29/10)
Kunick Leisure (10p) 26 7¼ 8
Leisure Invs (10p) 12 4 (31/10)
Le Riches Stores (£1) 410 3
Mowat (Wm) (10p) 9 10 (31/10)
Newgate Tst (5p) 4 ¼
Norton Villiers Triumph (10p) 5½ 6 (31/10)
Ouvah Highfields (£1) 98 102 (29/10)
Pahang Invs 46
Procter and Gamble 7¾pcDb 1988-93 £74½ ¾ (30/10)
Rangers FC (£1) £13
Real Estate and Commercial Tst 7¼pcDb 1992-95 £79 ½ (29/10)

Longreach Oil 8½ (29/10)
Lucky Stores £13⅞ (30/10)
MA Com Inc £15⅞ (29/10)
Macmillan Bloedel £15⅞ (26/10)
Mannesman AG DM 150Φ (31/10)
Marra Resources 239Φ (31/10)
Marks and Spencer Canada 460Φ (30/10)
Mayne Nickless 264Φ
McCarthy Grp 110 (30/10)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration.

Sapphire Petroleum (50p) 100 (29/10)

(By permission of the Stock Exchange Council)

LONDON TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

APPOINTMENTS

TV South reorganisation

TELEVISION SOUTH has reorganised and strengthened its group and management structure. **Mr James Gatward**, managing director and founder of the company, becomes group chief executive; chairman and chief executive of TVS Television, the broadcasting subsidiary; and chairman of TVS Productions (formerly known as South and South East Communications), the programme making subsidiary. **Mr Anthony Brook**, formerly deputy managing director, becomes managing director and also managing director of TVS Television. **Mr Malcolm Truepenny**, formerly director of production operations, becomes managing director of TVS Productions.

★

Mr Alan J. Smith has been appointed group financial controller of HANSON TRANSPORT GROUP.

★

LONDON TRUST has made changes to the boards of certain operating subsidiaries: London Trust Productions, formerly London Trust Cultural Productions—**Mr D. J. C. Berens** (chairman), **Mr Alan Capper** (managing director), **Mr N. E. Osborn**, **Mr S. L. Goschalk**, **Mr Martin M. Cooper** (U.S.). **Mr D. C. Brierley** has resigned from the board. Bloomsbury Square Estate (Holdings)—**Mr F. J. H. Brackett** (executive chairman), **Mr Berens**, **Mr Osborn**, **Mr Goschalk**. **Mr J. Taylor** and **Mr P. A. Bull** have resigned.

★

TURNER & NEWALL states that **Mr Frank Tomes** has been appointed general manager of its subsidiary TBA Belting, in addition to his present responsibilities as director and general manager of T-Glass Fibres.

★

Mr David Allan Graham has been appointed an associate director of C. E. HEATH & CO (INTERNATIONAL).

★

RMC GROUP is appointing **Mr Brian Cope** as managing director of its national security alarm company, Lander Alarms, on April 1. Mr Cope, who joined RMC as deputy managing director of Lander earlier this year, was previously managing director of Chloride Granley for several years. He will replace **Mr Ron Lander** who will be leaving to pursue other interests.

★

F. W. WOOLWORTH, the Woolworth Holdings' subsidiary, has made two appointments. **Mr Jeremy Potter**, formerly financial controller, has been appointed director of accounting services. **Mr Geoffrey Rimer**, formerly assistant company secretary, has been appointed company secretary.

★

Mr Andrew Tait is to succeed **Sir Peter Tench** as chairman of the NATIONAL HOUSE-BUILDING COUNCIL on January 1. Mr Tait has been the director-general of the council since the mid-1960s and since his appointment NHBC has introduced the 10-year insurance cover for new homes and continued the development of higher house-building standards.

★

Mr G. M. Dunk, who joined AIROIL-FLAREGAS in 1980, has been appointed director and general manager and joins the board. He was previously commercial manager. Other appointments include **Mr D. W. Harckham**, director of sales and marketing. He joined in 198[illegible] as sales and service manager when Airoil-Flaregas acquired C.E.A. Combustion. **Mr S. Warren** has been appointed director of engineering. He was formerly technical manager of C.E.A. Combustion. **Dr B. J. Jenkins** assumes responsibility for research and development as technical director.

★

Mr Mike Murphy has been appointed financial director of ROFFS PRINT. Mr Murphy, who joined the company in 198[illegible], was previously chief accountant.

★

Lord Caccia has retired as director and **Sir Nicholas Henderson** becomes a director of F & C EUROTRUST.

★

Mr H. J. Haden has been appointed to the board of M & G GROUP.

★

CLARKSON PUCKLE GROUP has appointed **Mr Christopher Jones** to the board of Clarkson Puckle Overseas Holdings.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Midland Bank Tst Corp (Jersey) Ltd
28-34, Hill St. St Helier, Jersey. 0534 36281
MdBkOsGl 103.2 103.5xd 11.58
MdBkIntBd $1.05 1.06xd 7.55

Minerals, Oils Res Shrs Fd Inc
PO Box 194, St Helier, Jersey. 0534 27441
MoresNo1 $11.01 11.35 −0.35 3.52

Samuel Montagu Ldn Agents
114, Old Broad St. EC2. 01-626 3434
MtAmEqInc(z) 95.3 100.2xd 5.29
MtJapInc(z) 67.8 71.3 .... 4.35
MontGIInc(z) 49.0 51.6 .... 10.41
MtStRO30 £14.98 14.99 .... —
MtInCrO30 $9.41 9.89 .... —
Ap O30 SF106.85 115.9 .... 1.20
JpOc31 HK$43.94 47.55 .... 0.16
117GpS28 $17.65 18.99 .... 1.36
MFRNF N1 $10.05 10.07xd .... —
USFIF Oc2 10.77 11.33 .... —

Murray Johnstone (Inv Adviser)
163, Hope St, Glasgow, C. 041-221 5521
HpeStOc30 $67.41 71.87 .... —
MurFdNv1 $19.40 20.86 .... —
PacFd Oc31 $3.96 3.22 .... —

NEL International Ltd
PO Box 119, St Peter Port, Guernsey, Cl.
SterlingDep 76.5 80.6 .... —
SterlFxdInt 86.4 91.0 .... —
SterlingMan 84.5 102.7 .... —
IntlFxdInt 101.8 110.6 .... —
Intl Mngd 102.5 111.4 .... —

Nat Westminster Jersey Fd Mgrs Ltd
23/25 Broad St. St Helier, Jersey. 0534 70041
HhInFd(a)(b) 53.8 56.0xd 10.71
EqtyFd(a)(b) 99.7 106.0 +2.0 1.82
IntBdFd(a)* 78.7 81.0 .... 6.84
*Sub day every Thurs.

County Bank Currency Fund (z)
Dollar Class $22.9206 +0.0117 —
Sterling Class £11.3436 +0.0026 —
D-Mark Cl DM53.2995 .... —
Dutch Gldr Cl DFl53.3028 +0.0059 —
JapYenCl Y5,404.0177 +0.7889 —

Negit SA
10a Boulevard Royal, Luxembourg.
NAV $8.99 .... —

Newport International Management
Bank of Bermuda Bldg, Bermuda. 809 295 4000
NptInSec $15.19 — .... —
NptInlcF $14.46 — .... —
NptPacific $12.13 — .... —

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Bldg, Bermuda. 809 295 4000
AmericanTst $8.33 8.68 .... —

Normandy Trust Managers Ltd
29, Athol St, Douglas, IoM. 0624 29698
NmdyMt £0.991 1.0432 .... 2.00
NdyCmT £1.2699 1.3368 .... 2.00
CmbCrG £0.7640 0.8043 .... 2.00

Northgate Unit Tst Mngrs (Jersey) Ltd
PO Box 82, St Helier, Jersey. 0534 73741
PcfFdOc31 11.91 12.82 .... —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV $15.75 .... —
Inv. Adv., M & G Inv. Mngt. Ltd., London.

Perpetual UT Mngrs (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
OffshrGr $1.091 1.171 .... —

Phoenix International
PO Box 77, St Peter Port, Guernsey. 0481 23539
IntDollarFd $4.10 4.42 −0.04 —
Far East Fd $3.42 3.69 −0.04 —
Int Cury Fd $1.73 1.87 .... —
DlrFvIntFd $4.06 4.38 +0.01 —
Stg ExGtFd £2.54 2.74 +0.03 —

Providence Capitol International Ltd
PO Box 121, St Peter Port, Guernsey. 0481 26726/9
£UKStkmkt 166.2 178.8 .... —
$ Int Stkmkt 97.0 104.4 .... —
$ Wld Tech 129.2 139.0 .... —
$ N Am Ekt 105.6 113.6 .... —
$ Far East 106.5 114.6 .... —
£ UK FxInt 154.9 166.6 .... —
$ Int Fx Int 120.2 129.3 .... —
$ Int Currcy 107.1 115.2 .... —
£ Sq Md Fd 144.6 155.5 .... —
$ DllrMdFd 112.7 121.2 .... —
£SocMktFd 110.2 118.5 .... —
Swiss Franc 4.891 5.259 .... —
Prices on Oct 24. Next dealing Oct 31.
For other prices ring 0481 26726-9.

Putnam International Advisers Ltd
10-12 Cork St. London, W1. 01-439 1391
Emrg Healht Sci $9.91 .... —
InternationalFd $53.55 .... —
For Quest Fund Man. (Jersey)
see Royal Trust Intnl. Mngt.

Quilter/Heinold Commodities
31-45 Gresham St. EC2V 7LH 01-600 4177
Resource Fd $147.61 .... 2.00
Next dealing date Nov. 1.

Rea Brothers (IoM) Ltd
29 Athol St, Douglas, IoM. 0624 28695
Bond Fund £1.25 1.29 .... 8.45

Richmond Life Ass Ltd
4 Hill Street, Douglas, IoM. 0624 23914
Gold Bond 239.0 254.1 −3.2 —
StrlDepBd 180.54 190.99 +0.04 10.33
UK GiltFund 168.5 179.1 +2.0 —

Rothschild Asset Management (CI)
St. Julian's Ct, St Peter Port, Guernsey. 0481 26741
OCAmerFd $3.31 3.52 .... 1.24
OCSCo*** 206.8 219.9 .... 1.50
OC Cmdty† 125.1 133.0 .... 1.50
OCSCmdy $32.60 34.68 .... 1.70
HKFd HK$34.73 36.81 .... —
*Prices Oct 8. Next dlg Oct 22. †Prices Oct 15. Next dealing Oct 31. ***Prices Oct 15. Next dealing Oct 31. ††Dlg every Wed.

O.C. International Reserves
Sterling £15.914 +0.004 9.57
Australian $ A$15.855 .... 9.57
Canadian $ C$41.065 .... 10.36
Dutch Gldr DFl53.345 .... 4.77
Dan Kr DKr59.904 .... 9.50
Deutschmrks DM53.697 .... 4.60
Bel Frs (Fin) BFr53.520 .... 9.65
French Frs FFr86.465 .... 9.55
HK Dollar HK$106.182 .... 7.41
Italian Lire L43.563 .... 13.73
Singapore $ S$70.305 .... 6.78
Swiss Frs SF47.5118 .... 2.02
U.S. $ $32.976 .... 9.51
Jap Yen Y6,697.13 .... 5.08
Daily dealings.

Rothschild Australia Asset Mgmt Ltd
17 Bridge St, Sydney 2000, Australia.
Five Arrows $1.44 1.47 .... 6.10

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey. 0481 23021
IntlIncFd $10.06 10.73 .... 8.71
IntlCapFd $16.67 18.25 .... —
NthAmFd $7.17 7.83 .... —
FrEst&PacF $9.63 10.30 .... —
CanadnFd C$10.50 —
RBC Intl Currencies Fd Ltd
U.S. $ $23.64 +0.02 —
Canadian $ C$29.37 +0.03 —
£ Sterling £11.79 +0.01 —
D-Mark DM54.16 +0.02 —
Swiss Francs SF41.93 +0.01 —
Japanese Yen Y6,590 +3 —
Managd Fd $2.08 +0.02 —

Royal Trust Intnl Fd Mgmt Ltd (x)
PO Box 194, St Helier, Jersey. 0534 27441
StrlFxdIFd £0.859 0.872 .... 9.26(d)
Intnl Secs $1.102 1.152 .... 0.91
Intny Bond $0.762 0.772 .... 9.96(d)
Prices on Oct. 31. Next dealing Nov. 7

SCI/TECH SA
2 Boulevard Royal, Luxembourg.
SCI Tech NAV −9.17 −0.69 —

Save & Prosper International
PO Box 73, St Helier, Jersey. 0534 73933
Global Pftl Fd — $5.00 .... 0.80
Fixed Interest Funds
DM Bd DM10.62 11.20 +0.02 4.91
$ Fxd Int $8.19 8.74 +0.06 10.07
Stlg Fxd 108.5 114.7xd +1.3 12.21
Yen Bond Y1 480 1.563xd −3 2.67
Equity Funds
UK Growth 156.7 169.5 +1.6 1.89
Intnl Gr $10.11 10.93xd +0.18 0.86
Far Eastn $20.73 22.42 +0.20 0.33
Nth Amer $7.93 8.58 +0.02 0.11
Gold $9.77 10.57 +0.24 2.98
Multicurrency Reserve Funds
U.S. $ 1.00 — 10.47
D-Marks 10.00 — 4.00
£ Sterling 1.00 — 9.19
Yen 1000.0 — 5.00
Deposit Fund
SterDeposit 190.5 190.9 +0.3 0.13
All funds are daily dealings.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534-27561
Schroder Money Funds Ltd
Sterling £ 15.5508 .... 9.76
U.S. $ $29.4016 .... 10.20
D-Mark DM54.0828 .... 4.61
Swiss Franc SF52.8419 .... 4.54

J. Henry Schroder Wagg & Co Ltd
120, Cheapside, EC2. 01-382 6000
AmInN7 $23.46 — −0.53 1.90
AsnFdO22 $22.96 24.07 .... 3.74
ChpsdN1 $10.54 — +0.14 2.85
DrlgFdNv2 $3.46 3.70xd 3.6
JapFdNv1 $17.11 18.39 .... 0.22
TralFdSp30 $16.35 17.35 .... —
N&TOc29 $38.49 — .... —

Schroder Unit Trust Mgrs Ltd
Box 273, St Peter Port, Guernsey. 0481 28750
Mgd Curr* 588.3 620.6xd −2.4 6.45
£ Fxd Int* 641.4 676.6 +6.5 7.39
£ Equity* 167.4 179.1 +3.4 2.23
$FxdInt* $1.041 1.120 .... 8.93
$ Equity* $1.545 1.653xd +0.014 0.60
HK Fd* $7.541 8.066 +0.038 2.48
Schroder Life Assurance Int Ltd
MgdCrLFd 680.7 731.4 .... —
£ Fxd IntLFd 760.4 617.0 .... —
£EqtyLfFd 173.4 186.3 .... —
$FxdLfFd $1.336 1.433 .... —
$EqtyLfFd $1.513 1.626 .... —
£MgdLfFd 121.9 131.0 .... —
HKLfFd 6.532 7.018 .... —
Prices Oct 31. Next dealing Nov 7.
*Daily dealing.

Scrimgeour Kemp-Gee Mngmt Jersey
1, Charing Cross, St Helier, Jersey. 0534 73741
SKG Cap Fd 294.4 303.9 .... —
SKG Inc Fd 65.2 67.3 .... 7.63
Gilt Bond 169.0 177.9 .... —

Securities Selection Ltd
Bermuda Hse, St Peter Port, Guernsey. 0481 26268
Forexfund $7.61 8.00 .... —

Sentry Assurance International Ltd
PO Box 1776, Hamilton 5. Bermuda 59303
For Funds Prices Phone UK 0908 670505 (24 hrs).

Singer & Friedlander Ldn Agents
21 New St, Bishopsgate, EC2M 4HR. 01-623 3000
Dekafds DM27.47 28.91 .... 6.84
Tokyo TstOct1 $62.80 .... 2.40

Standard Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey. 0534-74454
Sterling £11.0212 +0.0028 9.54
U.S. $ $22.2823 +0.0059 9.60
D-Mark DM52.7120 +0.0066 4.64
Swiss Fr SF41.3751 +0.0036 3.21
Jap Yen Y5,315.3746 +0.7474 5.15

State St Bank Equity Hldgs NV
Car Mgt Co. 6 John B. Gorsiraweg, Curacao.
Net asset value Oct 24 $7.81.

Strategic Metal Trust Mngrs Ltd
48 Athol Street, Douglas, IoM. 0624 26866
StrtghMT $0.8773 0.9022 .... —

Stronghold Management Ltd
P.O. Box 315, St. Helier, Jersey. 0534-71460
Smmdty Tst 62.84 66.85 .... —

Surinvest (Jersey) Ltd
4 Hill St, Douglas, Isle of Man 0624 29441
Cooper Tst £13.88 14.64 .... —

TSB Trust Funds (CI)
26 Hill St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fd 99.01 102.0xd 11.75
TSB Gilt Fd Jy 99.0 102.0xd 11.76
TSB Jy Fd 92.8 97.7 .... 3.88
TSB Grnsy Fd 92.8 97.7 .... 3.88
TSBCrncyFd 101.4 106.6xd .... —
Prices on Oct31. Next sub day Nov. 7.

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, King William St. London, EC4. 01-623 2494
NAV$462. IDR value US$11 + 764.71.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534-72936
Man Cur Fd 103.8 109.6 .... 4.20

Tennant (Cayman) Managers Ltd and NATCO
PO Box 2189, Grand Cayman. 0101 (809) 9497436
Wstmtr Com $8.33 8.79 .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao.
NAV per share $143.63.

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV, Curacao.
NAV per share $103.35.

Tyndall Bank (Isle of Man) Ltd
30, Athol St., Douglas, Isle of Man 0624 29201
Stg Mny Fd — — 10.00
U.S. $ Mny Acc — — 9.00

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331/3
TOFSL 194.6 209.0 −1.6 1.20
American 210.0 227.0 .... 1.77
Far Eastn 261.2 279.8 −5.0 0.83
European 113.4 121.6 −0.4 0.82
PrtfloSlAmr 104.8 112.3 −0.7 —
PrtfSlAmer 101.6 109.8 +0.1 —
PrtfSlFrEst 107.6 115.2 −2.0 —
PrtfSlEuro 106.8 114.4 −0.2 —
Jersey Fd 172.4 188.2 .... 5.20
(Nn-J AcUts) 409.5 447.0 .... —
Gilt Fund 116.0 118.2 .... 10.26
(Accm Shs) 305.4 310.6 .... —
Victory House, Douglas, IoM. 0624 24111
High Inc Glt 108.4 110.6xd 12.47
(Accm Shs) 208.4 212.4 .... —

Tyndall International Assurance Ltd
Albert House StPeter Port, Guernsey. 0481 27066
Intnl Equity 437.2 460.3 .... —
Do $ 5.345 5.630 .... —
Pacific Eqty 135.0 142.2 .... —
Do $ 1.650 1.740 .... —
Ntl Amr Eqty 91.7 96.6 .... —
Do $ 1.120 1.180 .... —
UK Equity 291.0 306.4 .... —
Do $ 3.555 3.745 .... —
Euro Equity 118.9 125.2 .... —
Do $ 1.450 1.530 .... —
Intnl Fxd Int 440.8 464.0 .... —
Do $ 5.390 5.675 .... —
Stg Fxd Int 269.3 283.5 .... —
Do $ 3.290 3.465 .... —
$ Deposit 141.3 148.8 .... —
Do $ 1.725 1.820 .... —
Stg Deposit 155.6 163.8 .... —
Do $ 1.900 2.000 .... —
Commodity 430.1 452.8 .... —
Do $ 5.260 5.540 .... —
Gold 83.1 87.5 .... —
Do $ 1.015 1.070 .... —
UK Propty 194.5 204.8 .... —
Do $ 2.375 2.500 .... —
Intnl Mngd 359.6 378.6 .... —
Do $ 4.395 4.630 .... —
Do $ 3.110 3.275 .... —

Tyndall-Guardian Mngt Ltd
PO Box 1256, Hamilton, Bermuda
T-G American $20.91 .... —
T-G Money $23.86 .... —
T-G Eurobond $16.38 .... —
T-G Commodity $27.74 .... —
T-G Mortgage C$21.82 .... —
T-G Overseas $11.32 .... —
T-G Pacific Y2.093 .... —
T-G Wall Street $25.85 .... —
T-G Gold $8.28 .... —

M. G. Tyrrell & Co Ltd
PO Box 415, London W13 9NY.
Ortac $11.05 11.35 .... —

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd.
2 Throgmorton Ave, London. 01-638 6111
Uco Int Fd $73.83 76.10 +0.30 —

Union-Investment-Gesellschaft GmbH
Postfach 16767 D 6000 Frankfurt 16.
Unifds DM20.65 21.70 .... —
Unirak DM71.10 74.70 +0.30 —
Unirenta DM42.27 43.60 +0.10 —

United Fund Managers Ltd
16-18 Queens Rd Central, Hong Kong. 5-231417
S Mly T 9.35 9.76 .... —
For Vanbrugh Currency Fund see Holborn Fund Management (Jersey) Ltd

S. G. Warburg & Co Ltd and subsdrs
33, King William St, EC4R 9AS. 01-280 2222
EyIntlNv1 $43.01 — +0.45 —
MrcEbdO31 15.76 16.94xd −1.0 7.50
SelRsOc16 $15.76 16.32 .... 1.53
39-41 Broad Street, St. Helier, Jsy, CI. 0534 74715
MrcOCc30 £27.75 28.46 .... 1.37
McFEOc31 £27.13 27.82 .... 0.90
MrTrsO26 £25.89 26.55 .... 1.85
MtTstO18 £21.23 21.77 .... 1.38
MrSMtO25 £21.25 21.77 .... 1.38
Mercury Money Market Trust Ltd
D-Mark DM79.05 +0.01 —
Dutch Gldr DFl106.37 +0.01 —
Japanese Yen Y7,970 +1 —
£ Sterling £19.81 +0.02 —
Swiss Franc SF77.29 .... —
U.S. $ $33.63 .... —
1 Thomas St., Douglas, Isle of Man. 0624 4856
Mrc IoM Fd 56.6 66.3xd +0.3 8.00
MrcInBdFd 40.6 43.2xd +0.1 7.3

Wardley Fund Managers (Jersey) Ltd
HK Bk. Bldg. Grenville St., St. Helier. 0534 71460
Wrdly Gt Fd 98.0 102.0 +1.0 11.03

Wardley Investment Services Ltd
4th Floor, Hutchinson House, Hong Kong
Wrdly Tst $5.27 5.63 .... —
WdyNIKAF $25.53 27.08 .... —
WrdlyBdT $101.17 10.80 .... 7.50
WrdlyJapT $32.86 34.85 .... 0.29
WrdlyPryCT $9.98 10.49 .... 2.10
[illegible]

West Avon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963
Gilt&OptFd £1.16 1.12 .... 5.00
US $ Opt $0.94 0.99 .... —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
WwdeGthF $11.53 — .... —
Inv. Adv.: M&G Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015
Wren Com Fd 12.8 13.3 .... 3.10
Chinese Fd 59.9 62.4 .... 1.70
PrecMetlFd 122.6 127.7 .... 8.30
VangCmdyFd 26.1 26.8 .... 0.00
FinFuturesFd 32.1 33.4 .... —

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
DynmcGthFd $9.55 .... —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd 36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hallMnyFd	10.00	10.47	Qtr	Call
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	10.50	10.84	6-mth	Call
7-day Fund	10.47	10.81	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fd	10.38	10.64	6-mth	Call
MnyMgAc	10.12	10.52	3-mth	Call
Dollar	8.50	8.68	6-mth	2day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	10.25	10.65	Qtr	Call
$MnInChAc	10.125	10.61	Mth	Call
Bank of Scotland 38 Threadneedle St. EC2P 2EH. 01-628 8060				
Cheque Acc	10.10	10.58	Mth	Call
Barclays Prime Account PO Box 125, Northampton. 0604 252891				
High Int Chq	10.25	10.65	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circ, EC2M 5QL. 01-588 2777				
Cater Allen	10.00	10.471	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.25	10.75	Mth	Call
U.S. Dollar	9.50	10.06	Mth	Call
German Marks	5.0	5.19	Mth	Call
Swiss Francs	2.0	2.05	Mth	Call
Japanese Yen	5.0	5.19	Mth	Call
Choulartons 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW. 061-928 9011				
Cheque Acc	10.56	11.09	Mth	Call
Co-operative Bank 78-80 Cornhill EC3. 01-626 6543 Ext 465				
Cheque & Save	8.50	8.77	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Mny Mkt Acc	10.25	10.66	Qtr	Call
Lombard North Central plc 17 Bruton St. W1A 3DH. 01-409 3434				
Notice Dep	10.50	10.78	Rate	14-day
M & G Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
HighIntCoeAc	10.12	10.55	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	10.00	10.38	Qtr	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 65966				
HighIntStdAc	9.62	10.10	Daily	Call
Premier Acc	9.62	10.10	Daily	Call
Tyndall & Co 29-33 Princess Victoria Street, Bristol BS8 4BX. 0272 732241				
Demand Acc	10.18	10.57	Qtr	Call
Money Acc	10.125	10.51	Qtr	Chq 7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth. 0705 827733				
Special Acc	10.20	10.69	Mth	Call
Over £10,000	10.45	10.97	[illegible]	[illegible]

NOTES—Interest rates given both as nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. r Guernsey gross. S Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊖ Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
105¾	101⁵⁄₁₆	Treas. 15pc 1985	101⅝	+⅛	14.81	9.96
102¾	100	Exch. 12pc Cnv. '85	100¾	+⅛	11.91	9.91
96⅞	93⅞	Treas 3pc 1985	96⅞xd	+⅛	3.11	9.99
102⅝	99½	Treas 11½pc 1985	100⅞	+⅛	11.41	10.15
99¾	96⅜	Treas 8¾pcCnv '85	98⅞	+⅛	8.86	10.22
104⅜	99⅝	Exch. 12¼pc 1985	101⅝xd	+⅛	12.03	10.41
103⅜	99⅛	Exch. 11¾pc '86	101⅝	+⅛	11.57	10.34
102⅛	96⅛	Treas. 10pcCnv 1986	98⅛	−⅛	10.03	10.23
92⅛	88¼	Treas 3pc 1986	92⅛xd	+¼	3.25	8.55
102	96¾	Exch. 10½pc Cv '86	100⅛xd	+½	10.47	10.31
104⅞	99⅛	Treas 12pc 1986	102¼	+⅝	11.74	10.41
93¾	93½	Treas 8¼pc 1984-86‡‡	97⅛	+⅛	8.75	10.42
106⅞	102⅛	Exch. 14pc 1986	105⅛	+⅛	13.26	10.80
87⅝	85	Exch. 2½pc 1986	87⅝xd	+⅛	2.86	9.44
107⅜	100⅞	Exch. 13¼pc 1987	104⅞	+⅛	12.69	10.90
100⅝	94½	Treas 10¼pcCv '87	98⅞	+⅛	10.40	10.93
86½	83¼	Exch 2½pc 1987	86	+⅛	2.91	9.38
101⅛	94½	Exch. 10½pc 1987	99	+⅛	10.61	10.97
92⅞	87	Funding 6½pc '85-87‡‡	91½	+⅛	7.10	10.47
99⅝	92⅞	Treas. 10pc 1987	97¾	+⅝	10.23	11.01
85	81⅛	Treas 3pc 1987	84¼	+¼	3.57	9.85
105	97¼	Treas. 12pc 1987	102¾xd	+⅛	11.72	11.08
94⅞	87⅞	Treas 7¾pc 1985-88‡‡	92	+⅝	8.42	10.72
100¾	92⅞	Exch 10½pc '88	98⅛xd	+⅛	10.69	11.16
98⅞	89⅞	Treas 9¾pc Cv '88	95½	+½	10.21	11.29
82	77	Transport 3pc '78-88	78⅞	+¼	3.80	10.02
96⅞	88⅞	Treas. 9½pc '88	94⅝	+⅞	10.04	11.22
106¾	94⅞	Treas 11½pc 1989	100¾	+¾	11.41	11.25
95⅞	87⅞	Treas 9½pc Cnv. '89	94⅝	+¼	10.04	11.06
97⅞	90⅞	Treas 10½pc 1989	97⅛	+⅝	10.82	11.32
100⅞	88⅞	Exch. 10pc 1989	95⅛	+¼	10.49	11.28
98⅞	94¼	Exch 11pc 1989	98⅞	+⅞	11.13	11.28
85⅛	77½	Treas 5pc 1986-89	80⅛	+¼	6.24	10.22

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
112¼	100⅛	Treas 13pc 1990‡‡	111¼	+⅞	12.12	11.10
110⅞	100¼	Exch. 12½pc 1990	106⅝	+1	11.99	11.20
93½	84⅞	Treas 8¼pc 1987-90‡‡	93½	+¾	9.14	10.59
98⅞	90⅝	Treas. 10pcCv 1990	95½	+⅞	10.50	11.12
107	94⅞	Treas 11¾pc 1991	105⅞	+1	11.51	11.25
84½	75⅝	Funding 5¾pc '87-91‡‡	81⅞	+1¼	7.07	9.71
105¾	93⅞	Exch. 11pc 1991	99⅝	+1	11.08	11.14
112⅝	98⅞	Treas 12¾pc 1992‡‡	110⅞	+1	11.96	11.24
100⅝	86	Treas 10pc 1992	96¾	+1	10.56	11.06
99⅛	94⅛	Treas 10½pc Cv 1992‡‡	99⅛	+1¼	10.76	10.96
111¼	95⅛	Exch. 12¼pc '92	107⅛	+⅞	11.70	11.51
117½	106⅛	Exch 13½pc 1992	112⅞	+1¼	12.14	11.29
113⅛	98⅛	Treas 12½pc 1993‡‡	111¼	+1½	11.77	11.16

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

365	220	Northgate C$1	295	+5	—	—	—
718	500	RTZ	605xd	+22	†18.0	2.7	4.2
£155½	£113½	Do. 9½pcLn '95-2000	£134xd	+3½	Q9½%	35.4	f7.3
£11¼	850	♦Tara Expln $1	937	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- ●+ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▮ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	82	......	Arnott	178	−25
Craig & Rose £1	£11	......	CPI Hldgs	57	......
Finlay Pkg. 5p	42	......	Carrol Inds.	116	......
Higsons Brew	85	+2	Dublin Gas	67	......
Holt (Jos) 25p	890	......	Hall (R. & H.)	45	−2
IoM Stm. £1	110	......	Heiton Hldgs.	15	......
IRISH			Irish Ropes	35	−5
Exch. 12% 1985	£99	......	Jacob (W.& R.)	65½	......
Nat. 9¾% 84/89	£84¾	+¼	TMG	65	......
Fin. 13% 97/02	£89¾	+⅜	Unidare	77	......

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	15	Hawker Sidd	38	Vickers	14
BOC Grp	27	Hse of Fraser	26	Woolworth Hldg	50
BSR	26	ICI	42		
Babcock	17	'Imps'	12	**Property**	
Barclays Bank	45	ICL	7½	Brit Land	11
Beecham	32	Ladbroke	23	Cap Counties	16
Blue Circle	40	Legal & Gen	45	Land Secs	25
Boots	16	Lex Service	40	MEPC	25
Bowaters	25	Lloyds Bank	58	Peachey	17
Brit Aerospace	20	'Lofs'	3	Samuel Props	12
BAT	15	Lucas Inds	18	Sterling Guar.	4
Brown (J.)	3	'Mams'	14		
Burton Ord	22	Marks & Spcr	20	**Oils**	
Cadburys	11	Midland Bk	36	Brist. Oil & Min	9
Comm Union	16	NEI	10	Brit Petroleum	35
Courtaulds	11	Nat West Bk	60	Burmah Oil	17
Debenhams	14	P & O Dfd	25	Charterhall	9
Distillers	22	Plessey	23	Premier	6
Dunlop	5	Racal Elect	18	Shell	55
FNFC	6½	RHM	8	Tricentrol	20
Gen Accident	42	Rank Org Ord	24	Ultramar	60
Gen Electric	16	Reed Intnl	40		
Glaxo	70	Sears	8	**Mines**	
Grand Met	30	TI	22	Charter Cons	24
GUS 'A'	55	Tesco	16	Cons Gold	58
Guardian	50	Thorn EMI	55	Lonrho	12
GKN	20	Trust Houses	18	Rio T Zinc	60
Hanson Tst	17	Turner Newall	16		
		Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FINANCIAL TIMES

Saturday November 3 1984

MAN IN THE NEWS

The only man for the job

By John Elliott

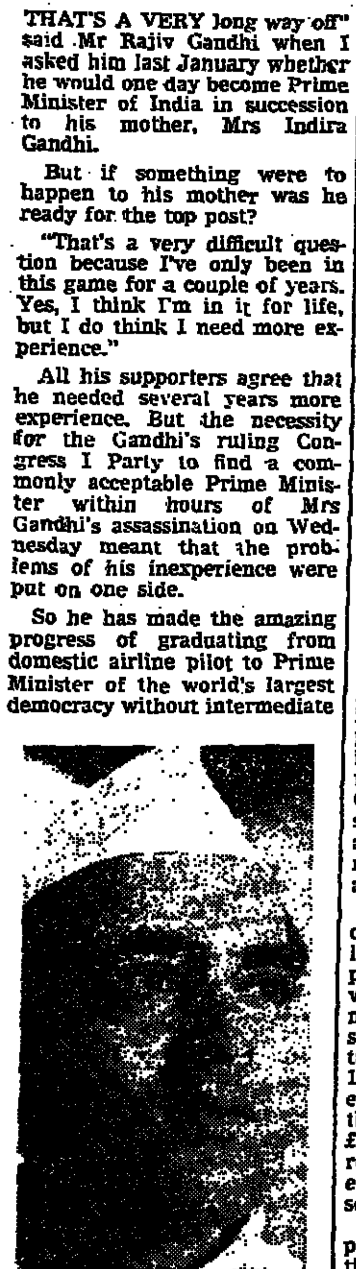
THAT'S A VERY long way off" said Mr Rajiv Gandhi when I asked him last January whether he would one day become Prime Minister of India in succession to his mother, Mrs Indira Gandhi.

But if something were to happen to his mother was he ready for the top post?

"That's a very difficult question because I've only been in this game for a couple of years. Yes, I think I'm in it for life, but I do think I need more experience."

All his supporters agree that he needed several years more experience. But the necessity for the Gandhi's ruling Congress I Party to find a commonly acceptable Prime Minister within hours of Mrs Gandhi's assassination on Wednesday meant that the problems of his inexperience were put on one side.

So he has made the amazing progress of graduating from domestic airline pilot to Prime Minister of the world's largest democracy without intermediate



Rajiv Gandhi

ministerial experience in under four years, at the age of only 40.

He would have stayed out of the limelight, flying aircraft, married quietly to an Italian wife, if his younger and politically active brother Sanjay had not been killed in an aircraft accident in 1980.

Mrs Gandhi rapidly persuaded Rajiv to move into politics and placed him nearly two years ago in a central political job as a General Secretary of the Congress I (I stands for Indira). She always denied that she wanted him to become Prime Minister, but no-one believed her.

He was chosen this week within hours of his mother's death because he is recognised by all major politicians of her party as the only man who has a chance of keeping India united and securing a win for Congress I in the coming general election.

He has not made any significant political mark apart from trying to inject young people and organisational techniques into the Congress I. But he has hit the headlines several times in the past year for disagreeing with his mother when he wanted her to take a tough line over party political troubles in Jammu and Kashmir and over Sikh unrest in the Punjab before she was ready. He also horrified government officials when he forecast in February (in a Financial Times interview) that Pakistan would invade India by the end of the year.

Those close to him expect him to set out to be a tougher Prime Minister than his mother, providing he can lose a habit of consulting too many people before taking decisions which, in the sycophantic world of Indian politics, means being endlessly told what people think you want to hear.

He has a reputation for being "Mr Clean" in a country where corruption pervades government and business life. He has said he wants to clean up corruption and improve the country's inefficient bureaucracy, an immense task that has never yet been achieved, industries.

On economic and industrial policy he is in favour of gradually expanding the role of the private sector and boosting energy and communications industries.

Last night on television he warned that "communal madness will destroy us all" unless it was curbed. "Today we must all fight for equality and the security of our people of every caste, creed and religion," he declared, uttering a cry which is more pertinent today, as Mrs Gandhi's body is cremated, than for many years.

Coal board offers miners back-to-work bonus

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GOVERNMENT and the National Coal Board yesterday increased the intensity of their call to striking miners to return to work. But the board faces a serious revolt from its traditionally loyalist management union.

Mr Peter Walker, the Energy Secretary, said last night: "The reality is that miners today increasingly realise this is a senseless dispute which is only damaging the coal industry, the miner, the miner's family and the mining communities."

The NCB in turn publicised a Christmas "bonus" package for miners who returned to work over the next two weeks. The full lump sum available to miners reporting for work in this period would be £650, made up of one week's Christmas holiday pay, back holiday pay during the strike period, Christmas holiday bonus and various other allowances.

Both the board and Mr Walker pointed to an increase in the numbers returning to work—though most of the evidence is confined to North Derbyshire. There, where the area NCB has made the most strenuous efforts to encourage the "drift back," a total of 194 "new faces" reported for work this week—an unprecedentedly high number. Some 55 reported at collieries yesterday.

In Scotland, however, the NCB said the number was static at 366, with 201 of these at Bilston Glen. The NUM claimed only 121 miners were working in Scotland. Mr Tony Benn, the Chesterfield MP, joined more than 1,000 pickets at Arkwright colliery, in North Derbyshire, in an attempt to stop five men returning to work.

In a statement in the latest issue of Coal News, the board stresses that its offer to the NUM in this week's abortive talks is final. It was "the best offered by any employer to any group of workers—but the NUM has offered nothing."

The board, however, faces continued criticism within its own ranks from the British Association of Colliery Management, which represents all grades of management to just below board level. A meeting between Mr Ian MacGregor, the NCB chairman, Mr James Cowan, deputy chairman, and Mr Alan Wilson, the BACM general secretary, has been arranged for Monday.

Mr Wilson said last night: "There is now very grave concern right across the board, but especially at very senior levels of management, that the office of the chief executive (which comprises Mr MacGregor and Mr Cowan) is isolated from the rest of management. Management has lost confidence in the office.

The "final straw" Mr Wilson said, was the apparent dismissal of Mr Geoffrey Kirk, the NCB public relations director. "Here was a man who had served the industry well for most of his working life, with very wide respect in and out of the industry, pushed out. We had to say then, that is not on."

NCB loan schem, Page 4

Government confirms Ordnance job losses

By Lynton McLain

A TOTAL of 1,819 jobs is to go at four of Britain's 13 Royal Ordnance factories, the Government announced yesterday.

The official announcement came two days after the Bill to clear the way to privatisation of the factories had received the royal assent, but the cuts were not linked with the privatisation plans, the Ministry of Defence said.

If the Falklands war of 1982 had not occurred, redundancies among the 18,800 workers would probably have been needed earlier, it added. The conflict used stocks of UK ammunition which have been replenished since, mainly by the state-owned munitions works. However, this replenishment finished some time ago.

Another arms programme has also finished in Britain. This is the tri-partite programme of Britain, Italy and West Germany for production of FH70 ammunition for the new, 155 mm field howitzer.

Britain was due to make 20 per cent of this ammunition but has produced almost double its entitlement—38.24 per cent. The result was that the Royal Ordnance factories, now faced with redundancies, gained £11m worth of work on the FH70 that "should have gone elsewhere," the ministry said.

The partners have agreed that £14.5m worth of additional work should be placed in West Germany. This explains the current transfer of FH70 work from the UK munitions works, the ministry adds.

The job losses are at ammunition and explosives factories at Bishopton (Glasgow), Birtley (near Gateshead), Chorley and Blackburn (both in Lancashire). All are in areas of high unemployment.

The Defence Ministry said the cuts had come because of a significant fall in the factories' work in prospect.

The Bishopton explosives factory is the worst hit. A total of 602 out of 2,300 employees will lose their jobs from the end of December.

Bishopton makes explosive propellants for ammunition, rockets and guided weapons.

Birtley is to lose 595 jobs among a work-force of 1,650 people. It has the main Ordnance factory for the production of brass and steel cartridge cases, armour-piercing shot, high-explosive shells and rocket motor tubes. The products lend themselves to a high degree of automated manufacture.

Chorley is to lose 477 jobs out of 2,300. The works is the largets ammunition fillings and assembly plant in the UK.

Blackburn is to lose 145 out of 2,400 jobs. The factory specialises in the design, development and production of fuses, parts for guided weapons and electronic equipment.

The Government intends to sell an undisclosed portion of Royal Ordnance plc, 18 months to two years after the company's assets and liabilities have been vested with the Defence Secretary this month.

THE LEX COLUMN

Thank you, and goodnight

Lonrho has displayed two qualities throughout the House of Fraser saga—dogged persistence and an unfailing ability to surprise. Yesterday's announcement may mean that Lonrho has tired at last of the fight, but at least Mr Rowland's flair for the unexpected was as much in evidence as ever. The lifting of the siege of Harrods was every inch as colourful as the earlier assaults.

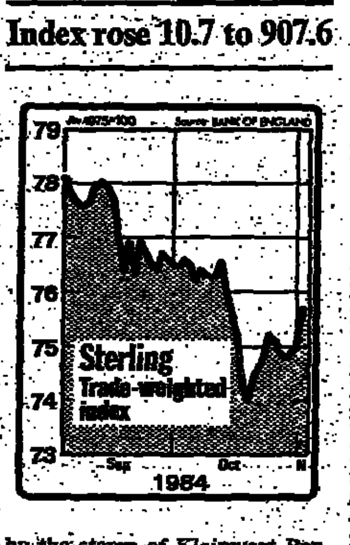
No-one having even a slight acquaintance with this extraordinary story could exclude the possibility that Lonrho is simply retiring to its winter quarters to consider the next move. The purchasers of its stake do, after all, have a long association with Mr Rowland and, as the Griffiths report demonstrated, seemed inclined to support Lonrho in its efforts to detach Harrods from the rest of the group. And, after all that has been said and done, it is hard to believe that Lonrho has finally swallowed its pride and gone away. That is hardly the Rowland style.

Yet, even accepting that Lonrho rarely does the obvious, it is difficult to see how the company would secure any tactical advantage by selling its shares. The Monopolies Commission offered Lonrho at least a small chance of success, and the Commission would hardly become more sympathetic to Mr Rowland's cause if it had to close the file now and reopen it later. Moreover, under the recent DTI ruling, Lonrho's voting power would be restricted to 15 per cent of the equity while a fresh investigation was under way.

For Mr Rowland to sell to business acquaintances is only in character and there can in anl event have been few investors prepared to bridge the gap between what Lonrho demanded for its shares and what the market believed tehy were worth. A price of 300p per share could have been justified only by a buyer seeking a platform for a full bid or by someone for whom the attractions of Harrods were not simply commercial. The Al-Fayed family may conceivably fall into the first category; they quite obviously fall into the second.

There is, on the face of it, little reason to doubt the family's intentions. Their investment in Fraser is wholly consistent with their ownership of the Ritz in Paris and yesterday's announcement was backed

Index rose 10.7 to 907.6



by the stamp of Kleinwort Benson.

A return to the fray by Mr Rowland might test the patience even of Lonrho shareholders. The company has turned a profit of £70m on its Fraser holding and the proceeds will bring net borrowings down to the more manageable level of around £400m. The disposal could add £10m to Lonrho's annual cash flow and will provide a welcome boost to earnings per share. The fact that Lonrho's share price at last breached its 1969 peak yesterday afternoon can be interpreted only in one way.

If Lonrho did indeed write the final chapter of the House of Fraser story yesterday, that will be cause for celebration. The City's institutions and Fraser itself have been subjected to a campaign of quite unprecedented tenacity and ingenuity. Lonrho has continuously thrown into doubt not only the right of a board of directors to manage a public company but the right of shareholders to determine its future. But it would be prudent to leave the champagne corks firmly stopped in their bottles for a while yet . . . at least until the Lonrho directors have submitted their resignations from the Fraser board.

Markets

Though the U.S. long bond dropped by 1½ points yesterday, most people around the market saw it as no more than a hiccup—the night before, it had reached its highest level for a year. With the election on Tuesday, any excuse seems to do for buying bonds. People are even beginning to discover that Reagan is good at keeping down inflation, though interest rates have hardly reflected that belief in the last four years.

Neither U.S. nor UK markets will listen to bad news at the moment. In America, the Federal Reserve has been easing; not to give President Reagan a helping hand but to inject a bit of oomph into the economy at a time when it is beginning to flag. When the Fed's policy-making committee meets on Wednesday, there will be little monetary excuse not to loosen further. M1 has almost fallen off the bottom of the graph and the index of leading economic indicators has dropped for three months in a row — traditionally a sign of an impending slowdown.

If dollar interest rates ease and the dollar exchange rate drops, foreigners may start to pull their money out of U.S. markets altogether. But if interest rates fall faster than the dollar depreciates, investors may prefer to stay in dollar assets—taking advantage of rising bond prices and tax-free income by switching to longer-term instruments. In that case the landing might by reasonably soft.

Sterling is now perceived as a good alternative asset. People feel that the miners' strike can get no worse and that oil prices are propped up for the time being. With the dollar falling, sterling markets have shown signs of decoupling from New York. Yesterday, for instance, long gilts rose by over a point, moving in exactly the opposite direction to the U.S. long bond. The only cloud on the horizon for stronger European currencies is a weakening in their balance of trade if U.S. consumers stop looking beyond their borders for cheap imports.

Short-term sterling interest rates were well down yesterday too, enough to discount a half-point cut in base rates within a week or two providing Tuesday's supply figures are not disastrous. The Treasury's £1bn tap stock released yesterday will help to clear up a log-jam in the market. Only £20 paid, it should lubricate gilt-edged trading without taking too much cash out before British Telecom's sale.

Prescriptions likely to rise 20p

BY PETER RIDDELL, POLITICAL EDITOR

A 20p INCREASE to £1.80 an item in National Health Service prescription charges next spring is likely to be announced later this month as a result of the Government's review of public spending plans. Large cuts may also be made in house improvement grants and in the urban aid programme.

The star chamber committee of ministers under Lord Whitelaw, Leader of the Lords, will produce proposals early next week about how to eliminate most of the £2.5bn excess of spending bids over the agreed target of just under £132bn for 1985-86. The excess has apparently been whittled down over the past fortnight to just under £1bn, but difficult decisions remain over the defence budget, energy prices, and social security.

Controversy is likely over the proposed increase in prescription charges—an increase far larger than the general inflation rate. Ministers will point out that at least half the recipients of prescriptions do not have to pay for them.

Proposed cuts in the Environment Department's planned budget are another likely source of contention, especially the impact such cuts would have on the construction industry.

Proposals for increased spending have been reduced partly because of Mrs Thatcher's direct intervention. The hope in Whitehall is that the full Cabinet will be able to resolve remaining differences at its meeting next Thursday.

Treasury officials have pencilled in Tuesday or Wednesday week, November 13 or 14, for the autumn economic statement from Mr Nigel Lawson, Chancellor of the Exchequer. The timing is largely to do with the date of the British Telecom flotation, which will take place over the next fortnight. The Government wants to remove any uncertainty in the markets before the most sensitive period of the offer.

The spending review has been the most difficult for several years, because of pressures from the mining dispute, higher-than-planned local authority expenditure and public sector pay awards.

The Treasury is reluctant to make significant inroads into the contingency reserve of £3.75bn set aside for 1985-86. This is partly because this year's £2.75bn reserve is likely to have been exhausted even before allowing for the cost of the miners' strike.

Major disagreements have emerged over the inflation assumptions used in planning the defence budget and over the rate of return, and hence the prices, to be set for the electricity and gas industries. This has led to the now familiar clashes with the Treasury by Mr Peter Walker, the energy secretary, and Mr Michael Heseltine, the defence secretary.

Queen's speech to emphasise competition, Page 3

House of Fraser Continued from Page 1

them aboard," said Professor Smith.

Professor Smith said he did not know whether the Egyptians were thinking of increasing their stake. "All I know is they are very interested in the House of Fraser and appear to have done a lot of homework first."

Mr Spicer said that Lord Duncan-Sandys, Lonrho's chairman, and Mr Rowland, the group's chief executive, would not be resigning their seats on the Fraser board. But within Fraser, however, it is believed that the two Lonrho representatives will eventually step down.

The Al-Fayed family have acquired a total of 46,098,800 ordinary shares at 300p per share.

The Al-Fayed family last night moved to quell City speculation that the move might represent another route by which Lonrho hoped to control the stores group. "There is no relation with Tiny Rowland as far as House of Fraser is concerned and there will be none in the future," a family representative said.

A member of the Al-Fayed family held a seat on the Lonrho board in the late 1970s after a series of deals in the London market. But the Egyptians eventually sold their 11 per cent shareholding.

The Al-Fayed brothers featured in the report by Department of Trade inspectors into alleged "concert party" dealings in House of Fraser shares in August. The report rejected the allegations, describing Mr Ali Al-Fayed as "a respectable and responsible man."

The Al-Fayed brothers were said by Mr Robert Cooper of Kleinwort Benson to regard England as their second home.

He said: "They are not holding these shares to pass on to someone else. They look upon this as a long term investment.

India Continued from Page 1

The lying in state of Mrs Gandhi's body ends this morning at 6 am. For the past day an orderly single file procession has moved past her body, in sharp contrast to the chaos of the first day of the lying in state. A queue a mile long waited to see the body yesterday and visits were paid by heads of state as they arrived in the capital.

At midday today a four-hour procession will begin to make its way with the body through the centre of the city to Raj Ghat, the traditional cremation ground of political leaders. Tens of thousands of people are expected to line the route, dramatically increasing the security hazard.

The key question is whether the violence will subside after today's ceremony. The broken harmony between Sikhs and Hindus could take years to heal but the Government hopes that increasingly tough security action will curb the violence within a day or two, as often happens with communal tension in India.

There was a major setback in New Delhi last night, however, when about 90 people were reported to have bene killed in an eastern suburb, Trilok Puri. For about four hours a Hindu mob carried out attacks. News agency reporters said they found bodies lying in heaps.

This led the Press Trust of India to raise its estimate of the dead in New Delhi to 250 and the national total to 500. It quickly put out a revised version of its New Delhi report, however, and this stated that the death toll was "officially put at 70—but unofficial reports said the figure was higher."

This appeared to indicate an attempt to play down the impact of the violence for fear of inciting a Sikh backlash. Many Sikhs, however, are saying that it is not in their interest to strike back immediately in cities like Delhi, where their businesses and homes are scattered thinly over wide areas.

● In London the Home Secretary yesterday banned a march through Southall on Sunday by Hindus in memory of Mrs Gandhi because of the risk of violence.

UK shares Continued from Page 1

DM 2.9250, but by the close in London it had recovered to DM 2.9460, down from DM 2.99 on Thursday.

On Bank of England figures, the dollar's trade-weighted index fell from 140.5 to 138.6—the lowest level since early September.

Sterling rose by 1.65 cents to end the day at $1.2515, and its index against all major currencies closed at 75.7, up 0.7.

Falling U.S. rates and sterling's recovery intensified the feeling in London that the authorities will encourage an early fall in UK interest rates.

The key three-month interbank rate dropped to around 10¼ per cent, which would allow the clearing banks to cut rates from the present 10½ to 10 per cent.

Optimism about a base rate cut has been encouraged by forecasts that Tuesday's money supply figures will show a substantial slowdown in the growth-rate of sterling M3, the most closely-watched monetary aggregate.

It was reinforced by the Bank of England's announcement yesterday that it will offer a £1bn tap stock for sale by tender on Wednesday, the day after the figures are released.

Yesterday, however, the Bank gave no direct clue to its intentions on base rates. Some City economists were cautioning that past hopes over the money supply outlook had frequently been disappointed.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treas. 11½pc 1989...£100¾	+	⅛	Fleet Hldgs.	201	+ 12
Exch. 12pc '13-'17 £124¾	+	2½	Grattan	126	+ 10
Treas. 2½pc I.L. '09 £98⅝	+	⅞	Home Charm	212	+ 12
Assoc. Dairies	186	+ 6	House of Fraser	286	+ 10
BOC	266	+ 7	ICI	690	+ 10
BPB Inds.	283	+ 13	Lonrho	170	+ 9
BTR	525	+ 15	Martonair	280	+ 12
Babcock Intl.	140	+ 7	Media Tech New	134	+ 9
Brikat	190	+ 7	Metal Box	364	+ 14
Bryant (Derek)	313	+ 10	Meyer Intl.	141	+ 6
Cable and Wireless	340	+ 12	Samuelson	730	+ 60
Coates Bros. "A"	118	+ 17	Strong and Fisher	165	+ 12
Costain	324	+ 16	Whitbread "A"	202	+ 7
Cray Electronics	213	+ 13	Geevor Tin	138	+ 8
Dewey Warren	171	+ 11	FALLS		
			Tuskar Resources	42	− 12

WORLDWIDE WEATHER

UK today: sunny periods, rain in places, fog early and late. Outlook: overnight frost, then sunny periods.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	66	Corfu	S	22	72	Luxmbg	C	5	41	Peking	S	17	63
Algiers	S	24	75	Dallas		—	—	Madeira	C	18	64	Perth	F	21	70
Amsdm.	S	17	63	Dublin	F	9	48	Madrid	R	13	55	Prague	S	9	48
Athens	R	16	61	Dbrvnk.	S	19	66	Majorca	F	21	70	Rykjvk.	C	−3	27
Bahrain	S	31	88	Ednbgh.	F	9	48	Malaga	C	21	70	Rhodes	R	18	64
Barclna.	R	18	64	Faro	F	18	64	Malta	F	21	70	Rio J'o.		—	—
Beirut		—	—	Florence	S	19	66	M'chstr.		—	—	Rome	S	19	66
Belfast	F	9	48	Frankft.	C	5	41	Melbne.	C	22	72	Salzbrg.	C	6	43
Belgrd.		—	—	Geneva	Fg	5	41	Mx. C.		—	—	S'cisco.†	F	13	55
Berlin	S	9	48	Gibrltr.	F	20	68	Miami†	R	23	73	Singapr.	F	29	84
Biarritz	R	16	61	Gl'sg'w	F	10	50	Milan	S	4	39	S'tiago.		—	—
Bmghm.	C	10	50	G'rnsey.	R	13	55	Montrl.†	F	4	39	Stckhm.	C	11	52
Blackpl.	R	11	52	Helsinki	C	10	50	Moscow	F	8	46	Strasbg.	C	6	43
Bombay	S	32	90	H. Kong	C	23	73	Munich	C	4	39	Sydney	S	22	72
Bordx.	R	14	57	Innsbrk.	S	15	59	Nairobi	F	22	72	Tangier	F	20	68
Boulgn.		—	—	Invrnss.	F	9	48	Naples	S	18	64	Tel Aviv	S	25	77
Bristol	R	11	52	I.o.Man	C	11	52	Nassau		—	—	Tenerife	S	23	73
Brussels	S	17	63	Istanbul	R	13	55	Nwcstl.		—	—	Tokyo	C	15	59
Budpst.	R	7	45	Jersey	R	13	55	N. Delhi	S	26	79	T'r'nto.†	F	0	32
Cairo	C	23	73	Jo'burg.	F	22	72	N. York†	C	18	64	Tunis	F	21	70
Cardiff	R	9	48	L. Plms.	S	24	75	Nice	S	20	68	Valencia	F	22	72
Cape T.	S	21	70	Lisbon	F	17	63	Nicosia	T	17	63	Venice	S	14	57
Chicg.†	F	−6	21	Locarno	S	15	59	Oporto	F	15	59	Vienna	F	8	46
Cologne	S	11	52	London	S	18	64	Oslo		—	—	Warsaw	S	12	54
Cpnhgn.	Fg	12	54	L. Ang.†	F	12	54	Paris	S	17	63	Zurich	Fg	4	39

C—Cloudy, F—Fair, Fg—Fog, R—Rain, S—Sunny, T—Thunder. † Noon GMT temperatures.

...otherwise indicated. † Figures for nine months. †† Figures for ... convertible unsecured loan stock at 9 per cent 1988-99 at rate ... and General to raise £2.9m through a rights issue of

مكتبة الأهرام